

JPRS 80292

10 March 1982

West Europe Report

No. 1920

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

WEST EUROPE REPORT

No. 1920

CONTENTS

ENERGY ECONOMICS

CYPRUS

- Solar Collectors Suffer From Antiquated Design
(Eliza Savvidou; KHARAVGI, 2 Feb 82)..... 1

ECONOMIC

CYPRUS

- Figures for 10-Month 1982 Budget Published
(HALKIN SESI, 19 Jan 82)..... 4
- Nicosia Tradesmen Stage Protest Over Taxes
(HALKIN SESI, 21 Jan 82)..... 6
- Ozgur Alleges Injustice in Income Tax System
(Ozker Ozgur; HALKIN SESI, 8 Jan 82)..... 9

FEDERAL REPUBLIC OF GERMANY

- Auto Industry's Export Boom Leads to Higher Prices
(WIRTSCHAFTSWOCHE, 29 Jan 82)..... 11
- Crisis Management Needed in Dwindling Construction Industry
(WIRTSCHAFTSWOCHE, 29 Jan 82)..... 14

TURKEY

- 'MILLIYET's' Soysal Interviews Ozal on Economy in 1982
(Turgut Ozul Interview; MILLIYET, 10 Jan 82)..... 17
- Yurekli Interviewed on Textile Industry Crisis
(A. Nafi Yurekli Interview; DUNYA, 23 Dec 81)..... 24

Possibilities for Turkish Arms Industry Examined (Ihsan Gurkan; DUNYA, 30 Dec 81).....	28
---	----

POLITICAL

CYPRUS

Greece Should Not Accept Involvement in Political Process (O AGON, 21 Jan 82).....	30
Democratic Party Said To Want To Preserve Its Independence (O AGON, 27 Jan 82).....	32
USSR Oil Concessions Reported (KHARAVGI, 27 Jan 82).....	33
Need for United Front, 'Minimum' Common Program Stressed (KHARAVGI, 24 Jan 82).....	34
PASOK-EDEK Common Positions Stressed (TA NEA, 26 Jan 82).....	36
Kyprianou: Turkey Will Not Create Incidents (Kyprianou Interview; O AGON, 29 Jan 82).....	37
Attempt To Isolate AKEL on Political Scene Claimed (KHARAVGI, 24 Jan 82).....	40

FEDERAL REPUBLIC OF GERMANY

Hesse Election Seen Crucial for Bonn Coalition (Bernd Erich Heptner; FRANKFURTER ALLGEMEINE, 15 Jan 82).....	42
Schleswig-Holstein SPD, FDP Split on Nuclear Energy (Bernd Lampe; DIE WELT, 21 Jan 82).....	45
Verheugen Stresses Importance of FDP in Land Governments (Guenter Verheugen Interview; HANDELSBLATT, 18 Jan 82).....	47
FDP Seen Closer To SPD Than to CDU/CSU (Walter Bajohr; RHEINISCHER MERKUR/CHRIST UND WELT, 22 Jan 82).....	49
Hamburg Mayor Dohnanyi on Defense, SPD (Klaus von Dohnanyi Interview; DER SPIEGEL, 1 Feb 82).....	51
FDP's Extraparliamentary Role in North Rhine-Westphalia Studied (FRANKFURTER ALLGEMEINE, 18 Jan 82).....	58

Leisler Kiep Responds to Allegations on Financial Activity (Walther Leisler Kiep Interview; DIE ZEIT, 29 Jan 82).....	60
GREECE	
Commentary on Postponement of NATO Bases Issue (Nikos Emm. Simos; I KATHIMERINI, 24-25 Jan 82).....	65
Party-Government Relations in Need of Clarification (Editorial; EPIKAIRA, 27 Jan 82).....	67
Internal Difficulties, Succession Problems Bedevil ND (TO VIMA, 17 Jan 82).....	69
Rejection of NATO, EEC, Total Reliance on Arabs Seen Harmful (VIOMIKHANIKI EPI THEORISIS, Dec 81).....	73
Real Papandreou Goals Reportedly Obscure (EPIKAIRA, 28 Jan 82).....	75
Conflicting Interpretations Given to Papandreou Speech (EPIKAIRA, 10 Feb 82).....	77
ITALY	
PCI's Ingrao, Ledda, Trivelli on Party Theory, Policy (L'UNITA, 24 Jan 82).....	80
Roots of Our 'Third Way', by Pietro Ingrao Will Not Think in Blocs New Internationalism, by Renzo Trivelli	
Disarmament, East-West, Mediterranean Issues Assessed (POLITICA INTERNAZIONALE, Nov-Dec 81).....	92
MILITARY	
GREECE	
Article Reviews Problems Faced by New Military Leadership (G. Karambelas; I AVGI, 22 Jan 82).....	105
GENERAL	
FEDERAL REPUBLIC OF GERMANY	
Problems of Integrating Turkish Population Discussed (Nina Grunenberg; DIE ZEIT, 29 Jan 82).....	107

GREECE

Dismissals, Status Change in Radio and Television Networks (Mikhalis Dimitriou; TO VIMA, 7 Feb 82).....	114
Greeks in Hungary Deprived of Political Refugee Status (I AVGI, 10 Feb 82).....	116

SOLAR COLLECTORS SUFFER FROM ANTIQUATED DESIGN

Nicosia KHARAVGI in Greek 2 Feb 82 p 3

[Article by Eliza Savvidou: "A Correct and Well-Programmed Exploitation of Solar Energy Means Saving Millions"]

[Text] The world energy crisis with its known impact on the Cypriot economy has dictated the urgent need in recent years to save fuels here also--and, by extension, valuable foreign exchange--by exploiting other energy sources such as the sun. The first efforts in this direction in Cyprus were made in 1960 through the use of the known common solar collectors (solar water heaters) for providing hot water to homes. The first model of a solar collector was imported from Israel and the first results were positive which contributed to their broader use on a Pan-Cyprian scale especially for providing hot water to single-family homes. It is estimated that today around 35 percent of the residents use solar water heaters while 90 percent of the single-family homes being built have solar collectors installed.

No Technological Developments

The fact, however, is that while solar collectors have been broadly used in Cyprus for 12 years, their quality and efficiency vis-a-vis modern technology are anything but satisfactory. On the contrary, not only was there complete lack of technological development but in many cases these old collectors became inefficient.

No Specifications Exist

According to experts, this is due to the fact that the units are simple and cheap technologically and are being assembled by technicians without the help of specifications. The continuous use by anyone of the original solar collector design and the massive and uninspected construction has resulted in flooding the Cypriot market with units of poor quality and efficiency.

Thus, while the solar collectors used abroad are 70 to 80 percent efficient, many of the locally used ones are only 20 to 30 percent efficient.

Prospects for Broad Use

The importance attached abroad recently to wider use of solar energy both for homes and production is immense, while the amounts spent for research in this

sector total many millions. The objective always is to save fuel. Yet, despite the limited possibilities and the almost complete lack of scientific research one can say that the role of solar energy in Cyprus has expanded. Efforts are made, for instance, to provide large quantities of water heated by solar collectors to hotels (as in the case of "Europa") and to apartment houses. Also efforts are being made to provide preheated water for home central heating by using solar collector systems. But these systems do not always work efficiently because of poor construction or installation.

It seems that solar energy could also be used in agriculture but the margins are small due to costs. We are informed that the Agricultural Research Institute is conducting research with an aim at heating greenhouses and pumping water by using solar energy. Finally, there are possibilities for preheating water for industrial uses.

Experiments at ATI

In recent years the Supreme Technological Institute [ATI] has been conducting experiments on the use of various energy sources besides solar energy. Since 1979 a Group of Energy Research [OEE] has been established and consists of professors of all specialties, laboratory assistants and trainers. It should be noted that the group conducts its research at its own initiative during their free time and with limited funds.

We had a meeting with Konstandinos Loizos, ATI professor of electrical engineering and OEE secretary. He told us that OEE experiments with solar and wind energy as well as with biomass or bioenergy (production of energy from vegetable wastes and with systemic [sic] energy). "We did preliminary studies in the above fields," said Loizos, "and arranged them on a priority list to suit the Cypriot reality. Solar energy which is abundant in Cyprus and can be used directly is at the top of the list. It is followed by the wind energy which can be used as in the past in windmills for pumping water for instance. With proper installations the windmills can be used for producing electric energy also. But the cost and time may be prohibitive.

"Biomass or bioenergy comes third. Various vegetable wastes (grass, rotten fruit, residue of pressed grapes, manure) when fermented in special areas produce a gas known as methane which has the same properties as gas. But the possibilities of using this energy source are limited since large size farms with great quantities of wastes are needed. It could be used, however, in places lacking other sources.

"Our experiments with pressed grape residues showed that we can produce heat of around 40 to 50 degrees [Celsius] which is sufficient enough for heating greenhouses or other areas basically agricultural. We are also trying to combine this source of energy with solar energy by using the first at night and the second during the day. Relevant experiments are performed at the Agricultural Research Institute."

Loizos told us that solar energy presents the best possibilities and added: "Even though Cyprus is one of the few countries which has started using solar energy,

local companies manufacturing solar collectors continue to produce the traditional type of collector we copied from Israel either because they do not want to invest more money or because they lack the technical knowledge. There are two or three companies whose product is satisfactory but there are also too many small plants which simply copy the original model."

Loizes said that the government should encourage experimentation and research for the construction of more efficient collectors because the more efficient the collectors the greater the saving of electric energy will be.

Saving Millions

It is not an exaggeration to say that extensive use of solar energy will save millions of pounds. It suffices to mention that today's use of solar energy, even though fluctuating to around 2 percent, corresponds to an economy of about 500,000 pounds in round figures. If this use increases to over 5 percent then we can talk about saving millions of pounds. But for such an increase in solar energy use, the government must take immediate measures aimed at:

- a. Improving the local solar collectors.
- b. Compulsory implementation of specifications for the construction of collectors.
- c. Providing incentives, such as granting low-interest loans to those wishing to install solar collectors in their homes.
- d. Encouraging scientific research in the sector in order to extend the use of solar energy beyond the home to farming, livestock raising, industry and tourism.

A Commerce Ministry official told us that already a special test and inspection unit has been established with the responsibility:

- a. To evaluate the efficiency of locally produced solar collectors.
- b. To compare this efficiency with that of foreign-made collectors.
- c. To recommend, on the basis of this comparison, to the Ministry of Commerce the necessary changes for the construction of more efficient collectors.

The same official told us that besides this method the ministry is promoting the preparation of specifications.

7520

CSO: 4621/180

FIGURES FOR 10-MONTH 1982 BUDGET PUBLISHED

Nicosia HALKIN SESI in Turkish 19 Jan 82 p 1

[Report on Economic and Finance Minister Salih Cosar's presentation of the 1982 fiscal year budget to the TFSC parliament]

[Text] In a speech before the Finance, Economy, Budget, and Planning Committee, Economic and Finance Minister Salih Cosar presented the 1982 fiscal year budget which will cover a ten-month period. In his speech, Cosar stated that the budget will be increased by 53 per cent over last year's figures, and that it has been set at 10,917,656,581 Turkish liras.

What It Foresees

Salih Cosar stated that the budget was prepared with an understanding that it anticipates a large proportion of economic and social measures to be included in its structure. He said that the budget proposal, by removing economic strictures, by bringing income distribution to a more just level, by fighting inflation, and by resolving the unemployment problem to a degree by filling vacant positions, would be a budget that would lead to continued economic growth and would attempt to promote economic stability in harmony with development.

Increases

Cosar said that the following appropriations are proposed in the 1982 fiscal year budget proposal: 5,310,859,220 Turkish liras for current expenditures; 3,183,070,061 Turkish liras for transfer expenditures; 2,423,727,300 Turkish liras for investment projects. These represent increases over last year's budget of 25 per cent for current expenditures, 84 per cent for transfer expenses, and 105 per cent for investment project appropriations.

Revenues

Economic and Finance Minister Salih Cosar said that the financment of the budget would be obtained from the following sources: 4.55 billion Turkish liras from local revenues; 50 million Turkish liras from the sale of government supplies; 3.038 billion Turkish liras from aid received from the Turkish Republic; 252.204 million Turkish liras from aid received from the UN High Commission for Refugees; and 3,027,452,581 Turkish liras from supplementary foreign aid and loans.

Self-sufficiency

Erdal Surec, speaking for the Communal Liberation Party, pointed out that a large part of the budget is anticipated aid and loans, and stated: "The foundation of Cypriot politics rests on the principles of self-sufficiency and self-determination. Budgets of this sort submitted by the National Unity Party inflict important and deep wounds on these principles."

Complaining of the small number of investments included in the budget, Erdal Surec also charged that the taxes were unjust.

The Appearance of a Trustee

Speaking for the Republican Turkish Party, Ergun Vehbi charged that nothing had changed with the budget.

Ergun Vehbi, who charged that the state had still not been able to shed its image of being a trustee handing out money to employees working in an establishment, said that the budget was not the program budget.

Ergun Vehbi noted that with the budget it would not be possible to increase the national income, to widen social justice, or to prevent unemployment.

The Budget for Current Expenditures

Speaking for the Democratic People's Party, Ismet Kotak also stated that the budget totally lacks the concept of a social state.

Ismet Kotak said that the budget gives no hope at all to the producer, to the working sector which should be aided, and noted that the budget was nothing but current expenditures. The committee will meet on 20 January to continue its deliberations.

9620

CSO: 4654/163

NICOSIA TRADESMEN STAGE PROTEST OVER TAXES

Nicosia HALKIN SESI in Turkish 21 Jan 82 p 1

[Report on a rally held by five trades organizations before the Turkish Cypriot Finance Ministry in Nicosia on 20 January]

[Text] A protest march was held yesterday in Nicosia to protest the amounts of taxes assessed to individuals for tax assessment year 1981. Members of five organizations took part in the demonstration by closing their shops between 10 am and 12 noon. The march started out at the Lokmacilar barricade and went as far as the Ministry of Finance.

The Note

At the ministry the demonstrators expressed their reactions to the taxes by first presenting a note containing their demands to Economic and Finance Minister Salih Cosar. The note contained the following demands: cancellation without preconditions of all penalties; a review of individual tax assessments; exemption from taxation of an amount at least as large as the minimum wage; in connection with this an increase in the amounts of other personal exemptions in accordance with current conditions; an undertaking by the ministry to start work on a new tax law in tune with the times, to be speedily taken up by the parliament of the Turkish Cypriot Federated State.

Future Economy Measures

In a speech delivered by Economic and Finance Minister Cosar after the note had been presented to him, he stated that the first two demands in the note concerned the current situation, while the other three items appeared to be directed at future economy measures which were part of the new draft tax law presented to the federated state parliament.

A Call for Calm

Salih Cosar concluded his speech in the following way: "We are conscious of the fact that tax is to be collected from citizens according to their incomes. Situations in which income in excess of an individual's income has been assessed will definitely be reviewed. It is impossible for us to have an approach by which we push tradesmen and small businessmen into difficult situations with unjust taxes.

"One cannot conceive of such a thing. We invite citizens to visit our Tax Offices so that their true incomes can be determined in a calm atmosphere. We will show them every sort of consideration that may be needed."

Other Tradesmen

The Guzelyurt Small Tradesmen's and Craftsmen's Association, the Union of Turkish Cypriot Citrus Growers, and the Guzelyurt Branch of the Southern Refugees' Unity and Mutual Aid Society at this point also presented a note on taxation to the Finance Ministry. The note was signed by their respective chairmen.

In their note, the three organizations stated that in assessing taxes for the year 1980 the Finance Ministry and the ministry's Tax Office had used its authority as if intending to crush small tradesmen, craftsmen, and producers. They stated that while those who used chartered accountants to balance their books had been exempted from taxes or had payed very little in taxes, small tradesmen, craftsmen, and producers had been squeezed mercilessly by the individual income tax.

They're Not Opposed

In their note the three organizations made it clear that they are not opposed in principle to taxation, but that they believe it necessary that the following points be taken into account as taxes are assessed:

"Small amounts of taxes should be collected from those with small incomes, large amounts from those with large incomes.

"In individually assessed taxes the responsible authorities should make a rational determination of income.

"The tax exemption limit in the tax law should be adjusted in a manner conforming to current conditions.

"Legal provisions should be enacted to set aside portions of the law which are open to abuses.

"Taxes assessed to individuals for the year 1980 should be reassessed in a just manner, according to the ability of taxpayers to pay, and fines should be cancelled."

The Tradesmen of Kyrenia

In other news, all shops in Kyrenia will also be closed tomorrow from 10 am to 1 pm. The Kyrenia Tradesmen and Craftsmen's Union's leadership announced that a protest march will start from the Baris Cinema and end up at the district governor's office, where a protest note is to be presented to the governor of Kyrenia.

It was stated that preparations for the march were gone over at a meeting held in Kyrenia yesterday.

DEV-IS

DEV-IS, the Federation of Revolutionary Workers' Unions, issued a declaration stating that it viewed with sympathy the two-hour shop closing and protest march by the small tradesmen and craftsmen. It stated that DEV-IS believed the latest taxes imposed by the UBP [National Unity Party] minority government to be unjust, and let it be known that the federation would always be on the side of the small tradesmen and craftsmen in their struggle to gain their rights.

9620

CSO: 4654/163

OZGUR ALLEGES INJUSTICE IN INCOME TAX SYSTEM

Nicosia HALKIN SESI in Turkish 8 Jan 82 p 5

[Statement by Cyprus Republican Turkish Party General Chairman Ozker Ozgur alleging personal income tax assessments violate the constitution]

[Text] Ozker Ozgur, general chairman of the Republican Turkish Party, has stated that the constitution has been turned upside down in the matter of taxation.

In a statement on personal income tax assessments that he distributed to the press yesterday, Ozker Ozgur reminded his readers that article 86 of the constitution deals with the subject of tax obligations, and that those who make large incomes should pay high taxes, while those earning small incomes should be made to pay less in taxes. Nevertheless, Ozgur charged, the tendency in the Turkish Cypriot Federated State has been in the direction of collecting small amounts of taxes from those with large incomes, while small income earners have been assessed large amounts in taxes.

Ozgur said that under the guise of a personal income tax workers, peasants, and small tradesmen have been forced to pay taxes that disregard the level of their incomes and cannot be reconciled with their earnings. He continued his statement as follows:

"This administration, which sees nothing wrong in forcing workers, peasants, small tradesmen, civil servants, policemen, teachers, and the owners of small businesses to pay high taxes, at the same time is not assessing taxes proportional to their level of income on members of a small class of people whose lifestyle makes it evident that they make a great deal of money. This unjust procedure is reflected every year in the lists published in the official gazette."

Ozker Ozgur, stressing the duty of every citizen to pay taxes, went on to say: "The fact is that the UBP [National Unity Party] administration, which has been the spokesman and protector of big capital, has imposed this duty only on workers, peasants, civil servants, and small tradesmen, that is on those with small and fixed incomes, while for some reason those with large incomes have been exempted from taxation."

Ozgur, who made it clear that the Republican Turkish Party strongly condemns this unconstitutional procedure, called on the UBP administration to review its procedures in this matter and to adhere to the letter and the spirit of the constitution.

Ozgur concluded his statement with the following words: "The Republican Turkish Party once again underlines the fact that the UBP administration, which has been running away from planning production, regulating the marketplace, and applying taxes in a just manner, has no right to rob low-income citizens in an attempt to make up for budget deficits brought about by its own incompetent actions."

9620

CSO: 4654/163

AUTO INDUSTRY'S EXPORT BOOM LEADS TO HIGHER PRICES

Duesseldorf WIRTSCHAFTSWOCHE in German 29 Jan 82 pp 82, 84

[Article: "No Panacea"]

[Text] The German auto producers are again feeling self-assured. Because they have succeeded in stopping the Japanese assault they think that they can now raise prices. This may turn out to be a boomerang.

The German automobile manufacturers have no ground for complaint. All in all the year 1981 has been more favorable to them than they dared to hope only 12 months ago. The generally expected throttling of production for passenger automobiles and combination automobiles failed to take place. With a total of 3.58 million units there were even 2 percent more vehicles rolling off the West German assembly lines than in the preceding year.

It was possible to more than compensate for the 4-percent lower domestic sales with surprisingly good business in exports. Despite all reduced demands in most buyer countries automobiles "made in Germany" were being demanded worldwide. The generally stable demand for luxury limousines, the continuing good quality image of German products and also the exchange rate favoring German manufacturers made possible in some instances a two-figure fast growth rate in some west European markets in the demand for cars by Mercedes, BMW, VW and Audi and also for German Fords and Opels.

Horst Backsmann, president of the Automobile Industry Association in Frankfurt, even fears that this export offensive could lead to "counteractions of an administrative and atmospheric nature." And this particularly in countries like France, Italy or even Great Britain where the Germans have been abundantly exploiting the restrictions upon Japanese competition while the makes of automobile produced in those countries must in the German market make their way through the Asiatic competition.

It is true that last year the Japanese gained no more ground in the German market. The sales explosion of 1980 which gave the cars from the Far East a market share increase from barely 6 to more than 10 percent did not repeat itself. Also in 1981 only every 10th new car admitted into the FRG was a Japanese model.

Some sellers even had to accept bitter reverses. The Toyota sales organization in Cologne recorded a licensing drop of nearly 12,000 automobiles and a market share drop from 2.4 to 2 percent.

Automobile Industry Association president Backsmann and Daimler-Benz boss Gerhard Prinz warn against precipitate conclusions and agree that the present holding back of the Asiatics is "in any case a tactical movement" (Prinz). Their evidence: While the passenger car sales of the Japanese have been rather stagnant they have been quietly seizing positions for their industrial vehicles. Thus such makes as Toyota, Nissan and Mitsubishi have all risen in the market for small transport vehicles below 2.8 tons total weight and have so to speak from a standstill achieved a significant 12-percent market share in this segment.

Among the German car manufacturers the firms of Ford and Opel which belong to American mother companies particularly have no reason to complain of competition from the Japanese last year. The Cologne Ford plant--after a rapid breakthrough in 1980--was able to announce for last year a production plus of almost 14 percent up to almost 735,000 units. The new domestic licensings rose by 8 percent to more than 270,000; the market share from 10 to almost 12 percent.

Not quite so grandiose was the 1981 development of the General Motors daughter company Adam Opel, Incorporated. With precisely 816,648 cars produced the men of Ruesselsheim have surpassed last year's figure by 3 percent. Out of this production almost 373,000 cars went into the domestic sales network, only 2 percent less than last year. Overall the VW concern was less successful than its branches. In Germany in 1981 VW and Audi produced with 1.4 million passenger cars and combination vehicles around 7 percent less than last year. Both makes sold domestically 708,000 cars--almost 30,000 less than in the preceding year.

There was parallel development for the German Nobel makes Daimler-Benz and BMW. Both makes were able to increase only their foreign sales of passenger cars; in domestic sales they had to accept reductions which, however, for both of them were more than compensated by the export increase.

Despite the warnings of Prinz and Backsmann the fact that the Japanese assault of 1981 has been brought to a halt animated almost German car manufacturers to make price increases at the end of the year. This price round which after conclusion of the new tariff agreements in the metallurgical industry will certainly be followed by another one has been criticized as a "boomerang" by the HWWA Institute for Industrial Research in Hamburg. The institute maintains that while the competitive pressure from Japan has become weaker because of the upward valuation of the yen and because of other measures nevertheless it is shortsighted to consider the question of Japanese competition to have been resolved.

It is true that the impression is inescapable that the price increases--at least on the part of the producers of mass market automobiles--are somewhat of a farce. For some months there has prevailed in the area of the German automobile trade such an intense competition that the ADAC [German Automobile Club] has advised its members in purchasing new cars to pay no attention to the--now increased--nonobligatory recommended prices.

As a matter of fact the recommended prices have been used by dealers in all makes as prices to run considerably below. At the Congress of Company Advisers of the German VW and Audi Dealerships at the end of last year in Nuremberg the rebate policy of some colleagues was the most discussed and disputed topic. This committee, too, was unable to agree whether or not recommended prices are being so misused that in the interest of the trade they should be eliminated.

The Duesseldorf car dealers' "internal market" information service has responded to the dissatisfaction among the automobile dealers by recommending lately in strong terms the elimination of the recommended price and by urging an "agency" system which would give the manufacturers the central role in price determination.

Insiders know that such an agency system is certainly far from being a panacea. In the case of industrial vehicles it has been the custom for many years. And in difficult situations such as those which prevail at the present time especially in this branch of industry the dealers, as commission agents, with the knowledge of their suppliers guarantee rebates which in part range beyond their trade margins.

8008

CSO: 3103/252

CRISIS MANAGEMENT NEEDED IN DWINDLING CONSTRUCTION INDUSTRY

Duesseldorf WIRTSCHAFTSWOCHE in German 29 Jan 82 pp 34-35, 37

[Article: "On a Lopsided Foundation"]

[Text] Dumping prices permanently destroy the basis of participating enterprises. Instead the construction companies, in the view of Guenther Herion, president of the Main Association of the German Construction Industry, should seek a way out of the crisis by reducing their capacities and by compelling more cost-favorable construction methods.

The registry of contracts in the principal building trades after a minus of 8 percent in the year 1980 has in the last year shrunk by an additional 18 percent and no improvement in the employment situation is in prospect. Insolvencies have taken on frightening proportions with 1,536 bankruptcies and settlements. With 141,000 unemployed a situation was reached at the end of the year such as has never been seen since the founding of the Federal Republic, even though thus far the construction companies have tried to hold on to their primary work force. In future this attempt will often fail because the lopsidedness of the foundation of the construction market is becoming worse. The stock of contracts has been largely used up; further contraction of production on building sites has become inescapable.

In many construction firms it is only the crisis management which continues to be fully employed. It is confronting no easy task. In the construction market demand-stimulus is possible only within narrow limits. The shrinkage of demand--especially in highway construction and in public building construction and underground construction--to about half of the building volume still being produced 2 years ago must be assumed to be inalterable in the visible future. Hence there remains for the construction firms only adaptation of their capacities to the reduced demand.

To attempt to dispense with full cost coverage--at least during a fairly long-lasting crisis--is probably the most disastrous error which a construction entrepreneur can make now. The attempt to secure joint contracts for the temporary maintenance of employment by price concessions does to be sure correspond to conventional competitive behavior. But to dispense with adequate (i.e., at least cost-covering) profits constitutes not merely repressive competition but competition which is ruinous and which normally will first hit one's own

company. Anyone who behaves this way substitutes speculation for calculation, roulette for crisis management.

The reduction in the last decade from 54 to 38 percent in the ratio of capital funds to inventory in companies of the building industry should be a clear warning that such a risky market strategy cannot long survive. This is all the more true because normally this strategy goes hand in hand with neglect of necessary measures of adaptation.

Also the preprogrammed construction price explosion to accompany a resumption of construction demand should not mislead the construction entrepreneur into waiting for such an event. The expected recession trough from 1980 to 1984 will be very long and deep especially for the building industry.

A rational crisis management must take the opposite path. Reduction of capacities, especially of fixed cost burdens and the protection of liquidity presupposes a realistic determination of the actual present condition prevailing in the enterprise; in such a determination it is primarily the profit situation and the contract structure which must be clarified. Only on this basis can one identify the areas in which it is still possible to work rationally and determine the capacities which must be entirely or partially dispensed with. The manager who well in advance has placed his enterprise on several footings is now naturally in a more favorable situation. Experience shows that developments in the regional construction markets and in the individual branches of the building trades continue to be quite different in crisis times.

Also apparently it is precisely in hard times that the rationalization of construction acquires great importance. This applies both to construction materials and construction methods. Building trades fairs like the upcoming Constructa '82 in Hanover prove this; they are in many ways forerunners of progress in the building trades and in this way make an important contribution to moderating cost increase. The Main Association of the German Construction Industry a few weeks ago organized in Bonn a "research and development" symposium in order in this way, too, to support the efforts of building entrepreneurs toward an improvement in their efficiency.

The efficiency of the entrepreneurs and the possibilities for cost-favorable construction are also closely watched in hard times by the building owners. This is shown by the high attendance at building trades fairs and by the evident technical interest displayed by building owners and architects. Prompt capacity adaptation, restriction to cost-covering contracts and careful calculation are in hard times not only in the interest of the building entrepreneur but also protect the building owner from unpleasant surprises. The old experience that building makes sense only on a solid foundation has a meaning not only technically but also economically. It is precisely in times of crisis that this should not be forgotten.

Strengthening of the foundation includes not only adaptation of capacities to the temporarily regressive demand. A real foundation must be permanently supportive--in other words in the future also. This means for the building entrepreneurs that they should extend their crisis management not only to the momentary

situation but also to the construction demand which will have to be met in the future. The assurance of a profit basis which permits at a given time restocking of machine capacities is an important prerequisite. However, the job is not done with machine capacities alone.

Far more difficult to replace are the personnel capacities. Specialized work forces in the building trades are in short supply. Even in the times of the great recession between 1973 and 1975 it was never possible to fully meet the demand for specialized work forces. To this circumstance one may also attribute the fact that even in difficult times the construction entrepreneurs use every means to maintain their primary work force. This cannot prevent the fact that young and qualified specialists migrate from construction into other branches of industry, especially since construction specialists because of their good and many-sided training can be used in many other occupations.

In the building crisis in the middle of the seventies the building trades lost about a quarter of their trained work force. Therefore it seems all the more important that the construction enterprises should in training their work forces adopt a policy which is distinctly free of a crisis orientation. In recent years the number of persons requiring training has continually risen and at a figure of about 75,000 apprentices attained considerable magnitude. Graded training in the construction industry as well as the various continued education opportunities provided in the training centers of the building associations make provision for a level of performance in the firms of the building industry and will continue to be available to cover the great construction demand of the future even after the losses incurred by the present recession. Crisis management is not only a way of prevailing over the present but also a way of securing the foundations of the future.

8008

CSO: 3103/253

'MILLIYET'S' SOYSAL INTERVIEWS OZAL ON ECONOMY IN 1982

Istanbul MILLIYET in Turkish 10 Jan 82 p 4

[Interview with Turkish Deputy Prime Minister Turgut Ozal by MILLIYET correspondents Ertugrul Soysal and Mir'at Tutak; date and place not specified]

[Text] Soysal: Honorable Ozal, I would like to discuss with you the current state of our economy and your expectations for 1982. The stability program is now 2 years old. There has been considerable improvement in the economy, but shortages and complaints persist. Those with fixed and low incomes are in trouble. Some sectors and the industry, in particular, are raising their voices. The policies implemented are generally approved, but people are expecting further improvements, selective subsidies and government intervention in bank loans.

We are going through a period when there are both optimists and pessimists. It is often asked why current economic policies and programs are implemented in such a harsh and uncompromising manner. Could you please explain?

Ozal: Mr Soysal, before I go on to our seemingly harsh policies let me state a few things. During a panel discussion organized by MILLIYET in 1974 on the oil crisis I remember saying:

"This year Turkey is entering a serious quandary. In the course of the next 2 to 3 years we will encounter some very tough problems. In view of this situation we must seriously review the Third 5-Year Plan. As a matter of fact we must go further than that and prepare an 'emergency plan.'"

Turkey entered a serious crisis in 1977 as predicted. Transfers could not be made and we had to manage on short-term loans obtained from abroad.

When I took office at the end of 1979 the picture before me was worse than my predictions. The price of crude oil had risen from \$3 to \$11 [a barrel]. In 1979 this figure rose to \$16-\$17. In 1980 the world had another oil shock and the price of a barrel of crude oil shot up to \$34. This increase was larger than the price rise in 1974. The prices then stabilized around \$34.

Turkey's oil bill for 1979 was \$1.7 billion. In 1980, this figure rose to \$3.6 billion reflecting solely the price increase. Our imports in 1979 amounted to \$5.5 billion. In 1980, we paid \$7.6 billion for our imports and most of it was

for oil. In other words the cost of our imports other than oil has not changed; the increase observed is due solely to the rise in oil prices.

How is it possible then that shortages in Turkey have disappeared? This is the question. In the aftermath of two petroleum shocks this is an excellent development.

What we have done is this. In 1979, imports were made in accordance with a priority list and the emphasis was on AEEs [State Economic Enterprises]. The Central Bank used 67.5 percent of the available foreign exchange. We also changed the priority of SEEs. Now petroleum, fertilizers, raw materials for fertilizers and medicines carry a higher priority in foreign exchange disbursements.

I think that with this system and the reduced emphasis on SEEs it has been possible to meet the true needs of the market. As a result of these seemingly simple measures the market has begun to function in accordance with its own mechanics.

While taking these measures we went far beyond the IMF recommendations. We were forced to do that because we had to weather the 1980 petroleum shock.

I have tried to explain in several occasions that if Turkey was able to procure larger amounts of long-term and low-interest loans or grants we would be able to spread our austerity measures over a longer period of time. I will give you a typical example. We made our decisions and began implementing them. Then I began touring several countries with a delegation. I sought support for our program. We went to the United States and Germany. The Germans promptly gave the \$200 million they had promised. They provided the largest amount of assistance. In addition to that there was the American credit which was not used. The amount that was available to us and the banks was \$600 million. On the other hand, at that time I calculated that we needed \$1 billion.

Oil was the key to eliminating shortages and giving the country a sense of confidence. We remember the problems the truck drivers had, the situation of the car drivers, the lines at gas stations and the fights. All this caused a sense of insecurity among the people. It is for this purpose that we asked for a loan of \$1 billion. We could not persuade the Americans. We had to import our oil with what we had.

Meanwhile we were running out of money. Right at that time, around the end of March the demand for oil suddenly fell--I say by God's will. If we had gone on buying oil at the rate we were buying for another 10 days we could have gone bankrupt. Our situation was that critical.

Let me dwell on another interesting point. The "confidence" factor is very important. About 10 to 15 days after the 12 September [1980 declaration of martial law] the Iran-Iraq war began and a short while later the Iraqi pipeline [to Iskenderun] stopped functioning. Moreover oil tankers could not enter the [Persian] Gulf. Iran and Iraq are Turkey's two largest oil suppliers. When they stopped shipping oil our reserves began going down at an alarming rate. The countries we call friends (Saudi Arabia in particular) did not give us oil. We could procure, with great difficulty, only 1,300 to 1,500 metric tons of oil and that was after the

worst period of shortage was over. The [International] Energy Agency could not help us either. If there was a run on gas stations at that time we would be in serious difficulty. But that never happened because there was that sense of confidence.

The loans that Turkey is getting today are, in my opinion, the maximum possible. Foreign credit is primarily linked with Turkey's credibility. At that time we did not have any credit credibility. Even today we have not improved our credibility very much.

As you know a merchant who declares bankruptcy will not be forgotten even after 2 years.

Meanwhile we owed \$1.9 billion to 20,000 creditors in what is known as "nonguarantee trade" loans. In addition to that we owed large sums to insurance companies for insurance on our imports.

I remember meeting a foreign friend of mine in New York in 1979. He said: "My dear Turgut, we postponed the payment of Turkey's debts. We know that Turkey will still not be able to pay and we will have to postpone its debts another 7 years." But now it seems that Turkey will be able to pay its debts without much difficulty.

If we were able to find greater resources from abroad the hardships caused by our stability program would have a softer effect. Unfortunately that was not possible. That is why I am saying we had no alternatives.

Secondly, even if we had the resources I would rather not have them. In other words, I would prefer to solve the problem the hard way. The reason is that it is impossible to make long-term programs work in Turkey. Our structure is not compatible with programs of that type. It is dangerous to have programs which will last more than 3 to 4 years. I think that there is a higher likelihood of success for projects extending over a shorter period of time.

I look at the past; the party has changed, the program has changed. The party is not even needed; the minister has changed, the program has changed [as published].

Meanwhile, the Turkish industry is going through a transformation. There is a move toward structural change. Once I told them [the industrialists] jokingly to sell their mansions and villas. I meant that they should make use of their assets. that is, they should invest their assets in their businesses or join with partners. American and European companies around the world do this all the time. They liquidate their assets or find partners or sell part of their assets. I meant that we should modernize ourselves without losing everything.

We must admit that the current situation is the most serious crisis the Turkish Republic has encountered in its history. We have gone through two consecutive oil shocks. Economic conditions in Turkey and around the world are very bad. The West has not yet completely absorbed the oil shock and is going through a period of recession. The socialist countries have serious shortages and I expect their situation to get worse. The fact that Turkey has improved its situation is very remarkable. As a matter of fact, it has caused a certain amount of jealousy.

There is another thing. Although we based our decisions on the assumption that imports would be a dominant factor the industry we set up adapted to exports much more easily. Today it is very hard to sell heavy industry products. We adapted to exports easily. Countries behind the Iron Curtain cannot sell anything because they based their economy on heavy industry. Of course, we must not forget that our people are very talented.

Soysal: Is it not true that war conditions around us have caused a temporary jump in our exports? Moreover, an overwhelming majority of our industries cannot keep pace with the harsh export discipline. Is not the Middle East more tolerant to this situation?

Ozal: The [Iran-Iraq] war has had a certain role, but I do not think it is very significant. Perhaps, at the beginning it had a contribution. Our exports to Iran have not risen that much, while our exports to Iraq were rising even before the war. Libya and Syria, on the other hand, are not linked with the war. Currently our exports to Syria amount to \$100 million [a year]. Similarly there are significant developments in our exports to countries such as Saudi Arabia, Egypt and Algeria.

Soysal: Our industry is going through a transformation, but heavily damaged sectors such as construction and industries with products which are hard to export are going through a crisis. We all know about the problems the agricultural sector and the automobile industry are having.

Ozal: We can see that some sectors are having problems. The automotive industry is having problems in automobiles, but there are no problems in the manufacture of trucks, tow-trucks, pickups, vans and buses; I do not think there will be any problems. The sector that looks worst is construction.

As far as I can see we must not expect the pace of 1977-78 in construction. In those years construction was used as a hedge against inflation. Anybody who had money would buy an apartment. In addition to that, life in cities is becoming more difficult. All around the world there is a certain cost associated with living in a city. In my opinion migration to urban areas will slow down in the next few years. Construction in large cities must reform itself. Smaller apartments must be built voluntarily. An apartment with one room, a kitchen and a bathroom is sufficient for a couple. This is how it is in Europe. They call this type of apartments "studios." When interest rates are low everybody wants 120-square-meter apartments. But then we will not have enough credit. Instead of building one 120-square-meter apartment, two 40 to 50-square-meter apartments must be built. I believe that in such a transformation comes about in construction the sector will be able to resume its normal pace.

Providing only those without housing with a dwelling will not solve the housing shortage. This is a problem of channeling savings. The way to solve this problem is to put the interest system on the right track.

Since we are on this subject let me dwell on the interest rate issue which is a vexing problem for our industrialists. There used to be a time when interest rates were far below the inflation rate. When they were deregulated, which we did

in three stages, they rose above what they should be. They will come back down, but this is a matter of time. In my opinion there are already signs interest rates will come down.

Soysal: If I am not wrong, you said around the beginning of last year that when bank deposits reach 1.3 trillion Turkish liras demand for credit will slow down and consequently interest rates will decline. But that did not happen. Bankers say that a decline in interest rates should not be expected for another 6 months. Bank deposits, on the other hand, have reached the level you have specified. There seems to be no movement.

Ozal: I made my calculations as follows: If bank deposits expanded at the same rate as inflation what would the total amount of deposits in Turkey be? I calculated that this figure would be between 1.3 and 1.4 trillion Turkish liras by the end of 1981. But deposits have not yet reached that level. As of 3-4 December [1981] they stood at 1.2 trillion Turkish liras. Judging from the rate of expansion it seems that the deposits will reach the 1.4 trillion mark around March [1982]. When we reach that peak there will be a drop in interest rates. That is what I am hoping.

Bankers have been forecasting many things, but none of their forecasts came true so far. Banks have already begun providing certain relief measures in interest rates. Before they used to ask for securities for bank credit; now they do not. That is a sign of decline in interest rates. Secondly, I know that they no longer block the deposits of their exporter customers. This, too, is a form of lowering interest rates. In other words, there is a gradual turnaround.

Our banks must limit their expenditures. Other possibilities that may lower interest rates are emerging. Perhaps we will gradually encourage certain groups to obtain "syndicated loans" from abroad. When they do that the interest rates on foreign loans will not exceed 15 to 16 percent plus the exchange rate risk. This will bring down the domestic lending rates. I am not saying that this will happen suddenly, but Turkey is on this path. Apart from this prefinancing will also be reduced to normal levels.

The banking sector has always been a seller's market. This has become a custom in Turkey. There will be certain changes in time. Foreign banks will provide credit for the domestic market so that competition will start with foreign banks. Also the government is deriving certain benefits from high interest rates. For example, if we consider interest rates to be around 50 percent, the government takes 25 percent of that in income taxes, that is, 12.5 percentage points go to the government. In addition to that we are taking 15 percent in expense taxes which means another 7.5 to 8 percentage points. When you add the two the government is getting 20 to 21 percentage points. The government also provides an interest matching fund.

I am expecting that the government will soon have authority to determine the amount of income tax on interest. It already has the authority to adjust the expenditures tax. We are planning to reduce taxes on earned interest gradually.

In view of all this, I am not afraid of complaints by industrialists. They will find a way out. But expectations for a "rise in prices and increased inflation"

are wrong; they can only worsen the existing bottleneck. It is noteworthy that the people adapted to the novelties and shortages brought by our stability program faster than the industrialists.

Soysal: The newly introduced taxes removed some of the burden from the back of the construction sector. Burdens such as construction taxes value increase taxes and sales taxes are being reduced. Will these moves help a revival in the construction sector?

Ozal: I expect signs of revival in the construction sector in 1982. But that will not be too significant. The construction sector will benefit greatly if by virtue of a tourism law we can sell apartments outside touristic areas especially to buyers from Arab countries.

Soysal: Let us broach the subject of the misery and the problems of the low an fixed income population. Is it not true that this sector of the population is carrying the brunt of the hardships brought by the stability program? Was it not necessary to take some measures on this issue? It is said that wages are rising at the same rate as inflation, but it is also said that the rise in prices is a net quantity while the rise in wages is a gross quantity which will be taxed.

Ozal: That is incorrect. For example, 60 is the net that corresponds to a gross of 100. When you add 30 percent to the gross there is a corresponding 30 percent increase in the net. Actually the rise in the net quantity is larger because we are reducing taxes. This reduction is in two forms. In one form the tax rate is reduced from 40 percent to 30 percent and in the other there is a 1 percentage point deduction to allow for financial balance. Civil servants have even larger gains.

I have always tried to explain that we must bring inflation down to give breathing space to our low-income citizens. If we can reduce inflation to 20 percent or less we will have done them the greatest good. This is the basic medicine; not much can be achieved by doling out larger sums of money.

There are two more groups affected by the stability program beside the civil servants: the farmers and small businessmen. Of course, merchants and industrialists are also affected. But the cause of the current problems faced by our industrialists is not our program but the high inflation of the past. The rotating capital has been wasted and real capital has shrunk.

The same thing is true for small businessmen. I have said this before: Shelves became empty as a result of inflation and they were not refilled. The small businessman thought he was making a profit, but in reality he did not.

The new tax laws have brought a certain amount of relief to all these groups. We planned to raise the government revenue the first year and balance the budget. Because the government has not been able to do that for years. Budgets of 100 have ended up being 200. The new laws now emphasize economic and social approaches. The issue of paying taxes in advance has now been resolved following numerous complaints. The minimum income has been reduced to 30,000 Turkish liras. Significant changes are being made in property taxes. Property tax procedures will be

simplified and citizens will be saved a lot of trouble. Taxes on interest earned have also been simplified and reduced to a single rate: 25 percent. Taxes in livestock rearing have been reduced from 5 percent to 2 percent. These are important issues. We could not think about them last year.

The ones that are suffering most in the low and fixed-income group are the civil servants. We hope we will do something about them this year. If we take the wrong approach we may do harm while intending to do good. When Turkey undertakes social programs which are beyond its power it is doing more harm to itself than good. The reason behind the problems felt in Germany, the socialist countries and even the United States is the desire to go beyond available resources in the social field. This desire is particularly common among politicians.

Soysal: Now let us discuss the issue of employment.

Ozal: In Turkey, unemployment is a problem that is peculiar to the republican period.

It is not easy to provide adequate employment in a country with a high-rate of population increase.

Growth, naturally, has an important role in solving the unemployment problem. Raising the growth rate requires that investments be increased. However, here there is a limiting factor for us: the balance of payments problem. This problem is Turkey's oldest and most important problem. We inherited it from the Ottoman Empire. It persisted during the republican period. As long as we cannot solve this problem we cannot realize our development goals.

The problem of balance of payments will improve in 1982 or in 1983 the latest. We will reach that point soon if we can maintain our current pace.

To solve the unemployment problem we must be able to raise the growth rate to over 7 percent. This may take years. Turkey must borrow from abroad in an intelligent manner. It is no longer possible to procure loans from governments. We are recommending that the balance of payments deficit be eliminated so that we can show it to everybody. This way Turkey may begin getting "syndicated loans" from abroad in 1982 and speed up this process in 1983. Then we will be able to raise our growth rate with confidence.

I am optimistic about 1982. The balance of payments, unemployment and investment picture will improve in 1983. I believe that Turkey's situation is improving every passing day.

Soysal: Thank you very much, Honorable Ozal.

Ozal: Thank you too.

9588

CSO: 4654/133

YUREKLI INTERVIEWED ON TEXTILE INDUSTRY CRISIS

Istanbul DUNYA in Turkish 23 Dec 81 p 2

[Interview with A. Nafi Yurekli, general director of the Homeland Products Industry and Trade Corporation, by Gurses Vargul]

[Text] For almost 2 years, the Turkish textile sector has been shaken by a crisis affecting even the largest companies. YURTAS [Homeland Products Industry and Trade Corporation] is among those feeling the effects of this crisis in the Cukurova area, the textile capital, but is showing signs of rapid integration. General Director A. Nafi Yurekli answers our questions for the Turkish textile sector:

Question: How would you describe the present status of the textile sector in Turkey?

Answer: I believe the Turkish textile sector is experiencing the longest and most dangerous crisis it ever has.

Question: What are your reasons for saying this?

Answer: I am saying this present crisis is the longest because, in my estimation, it started early in 1980 and we are almost at the end of 1981, making it 2 years, and the longest crisis in the Turkish textile sector to date has been no longer than 6 months. As for its being the most dangerous, all the factors which can create a crisis have come together and overlapped each other as negative elements. To consider the principal ones as general categories:

a) A tight money policy always hits the textile industry right after durable consumer goods. This is because tight money makes it necessary to conserve and this shows up in clothing and other textile uses which we may consider a secondary need.

b) Declining purchasing power has an immediate effect on textile demand because it is a secondary need, as I just mentioned.

The economic measures taken to gut inflation following periods of high inflation usually reduce the purchasing power of the fixed and low income groups until the inflation curve turns downward. This is because wages usually trail inflation and are negatively affected when the measures are put into effect until inflation comes down and stabilizes.

The reduced purchasing power of those on fixed and low incomes, the group comprising the largest consumer of textile products, inevitably has a negative effect on this sector.

c) High net interest rates reduce demand in all sectors. A net interest rate as high as 7 percent or 10 percent causes money to lose its commercial value and makes it possible to earn income by putting money in time deposits.

And this is the worst thing that can happen for the textile sector. It is the sector whose middle markets between producer and consumer are most developed because it was one of the first branches of industry established in Turkey.

These middle markets are based on commercial gain and when they take their capital out of commercial activities and put it in time deposits, it causes a crucial loss of producer-consumer conveyance in the textile sector. It is a fact that it will lead to reduced demand until this link is reestablished.

d) Turkish textiles are also closely affected by the international textile marketing situation. Exports can make up for the absence of home demand.

However, what has happened is that 1980 and 1981 were critical years for the textile sector worldwide and the crisis is continuing. Therefore, orders obtained on foreign markets are usually at prices below cost or else temporary, high-risk orders.

e) Another important factor in addition to these four is the textile sector's own errors in marketing strategy. Confronted by the inconsistent demand seen during periods of high inflation, the textile sector has made big price hikes in a very short time, not entirely based on cost factors, but just following the current trend in price policy, and when faced with a demand crisis has not conformed to market conditions and, in resisting, has lost markets.

In addition, export possibilities were completely ignored when domestic market conditions were highly profitable and this made it necessary to go hunting for foreign markets in the most critical periods instead of having a ready foreign market to use in hard times.

This mistake has made it difficult to withstand crises which could perhaps have been put on a solid footing in the short run. Meanwhile, sudden big price reductions instituted by the companies in an effort to relieve their cash crunch have pushed the already reduced number of merchants in the middle market into a "wait-and-see" policy, and this wait-and-see policy has resulted in confusion, turning the market into a complete buyer's market.

f) Yet another important negative element which must not be overlooked has to do with high net interest rates. The textile sector is a branch of industry which requires a large amount of operating capital. The operating capital of all textile companies has gone in the hole during periods of high inflation. However, high circulation and low stock levels in those periods have subdued this negative situation.

When inflation headed downward and the large operating capital deficits looked to foreign resources for remedy, it started bringing tremendous interest burdens. Lacking access to export markets, companies had to use much more expensive money in this regard and, therefore, ran into money costs that are hard to get on top of.

Question: What do you think is in store for the Turkish textile sector in the days ahead within the framework of all these negative elements you have listed?

Answer: I believe two pictures are going to emerge in the Turkish textile sector in the days ahead. One is the way the companies are going to look which have been unable to throw off the lethargy of the periods of high inflation we have experienced and have delayed in conforming to the new conditions such that it would not take a fortune teller to say that it will be a picture filled with disaster.

The other picture is of the companies which have appraised the situation logically by the economic rules, quickly adapting to the circumstances. It is not that this is going to look like a rose garden, but it is a picture in which the companies will stay healthy until the crisis symptoms start turning one by one into signs of recovery.

Question: What are the measures which you think should be taken in order to be a part of this second picture you described, that is, to be among the companies able to stay healthy?

Answer: I think industrialism rests on two major elements.

- a) The ability to produce highest quality goods at lowest cost.
- b) The ability to market the goods manufactured in the best way possible under market conditions.

I think the answer makes itself clear if we cannot effectuate these two major elements in the present circumstances.

The first condition I mentioned of being able to produce the highest quality at the lowest cost is self-explanatory.

Cost elements must run to maximum savings and minimum consumption. This is something Turkey can easily do in the textile sector. High profits in the past have put the companies in the position of dealing with business elements rather than industrial elements and neglecting operating efficiency and costs.

By keeping raw material stocks at minimum levels comparable to net interest rates and market projections, the burden of operating capital and stock cost is reduced to a minimum.

Auxiliary materials and equipment stock levels must be set rationally and we have to operate with the lowest stock levels possible without bringing operations to a halt. Worker output per capita must be increased by raising equipment efficiency through better maintenance and operating methods and operations must be brought up to modern world standards.

The textile sector is a large consumer of energy. Maximum care must be taken in this area to bring down energy consumption steadily both as to our national interests and as regards each company's own costs, and European and American standards should be the target for unit consumption rather than Turkish standards. The equipment plants of almost all the large textile establishments in Turkey are new and modern enough to allow this.

One of the most important elements in raising output lies in evaluation of the human factor. A negative employee-employer dialogue has persisted in Turkey to date as the result of misguided unionization. It is now necessary that both our employers and our labor organizations give up their old habits and take the modern, peaceful administrative and management measures that will increase human productivity springing from moral and material satisfaction. I think the present time in Turkey is the best time for rectifying the mistakes made in the past.

The matters I have described above are the matters which I think are most important. If they are given careful attention, the factor of highest quality at lowest cost will be realized.

As for marketing the goods produced in the best way possible under market circumstances: The best way for the Turkish textile market today is a long-term, planned export program.

However, it must not be forgotten that exportation is a tough, highly specialized business. It is a form of marketing that brings losses and harm instead of good if not handled with great care.

The best way, therefore, is for several textile companies to get together and market their products jointly by means of the large export firms consisting of people with maximum specialization in the field.

Question: All of the measures you have described are measures the companies have to take themselves. What does the state have to do in this regard, in your opinion, if anything?

Answer: We have always asked the state for everything in Turkey. I think that now, instead of expecting everything from the state, we should learn to expect companies to take the necessary measures themselves and then expect state guidance and support.

Doubtless there are very important measures and elements which must come from the state here. I would like to mention them briefly instead of going into them at length.

In view of the state as the father of each of us, it must not be like the father who does his school-child's homework for him, but the father who prepares the necessary material and moral background for his child so that he may do this work to the best of his ability by himself.

8349

CSO: 4654/100

POSSIBILITIES FOR TURKISH ARMS INDUSTRY EXAMINED

Istanbul DUNYA in Turkish 30 Dec 81 p 2

[Article by Gen Ihsan Gurkan (ret): "Arms Industry and the Turkish Economy"]

[Text] Might not the establishment of an arms industry be a way to develop and strengthen the Turkish economy? It is useful to examine the major outlines of the problem under the headings "markets" and "possibilities." World configurations being what they are, it is quite clear that nations have need of weapons and war materiel. In particular, Turkey and its environs is a geographical region beset by various frictions which persist at a hostile level and occasionally flare up in hot war. Almost all nations in this region import arms. Turkey itself is a large and steady market because of its geographical location and political and military relationships. The time will probably come, even if not soon, when all foreign military aid is cut off.

The issue of nuclear parity between the superpowers has even moved Soviet superiority in conventional warfare and conventional arms back to the front burner. In addition, the proliferation of guerrilla-type struggles is a factor bearing particular attention. Cheaper, lighter weapons which are easier to handle and simpler and cheaper to maintain and keep but with higher firepower take precedence. Another widely-used method is to make ammunition for existing weapons more effective. Some states, unable to fulfill their requirements from the large and medium-sized arms suppliers of the Eastern bloc and the West, are doing everything they can think of to expand and enhance their arms inventories.

Total volume of world arms sales is now \$150 billion annually. The Soviets and their satellites and the large Western states have a monopoly on the large part of this. However, a group of small and medium states called the "Third World" has appeared in recent years in the arms trade. One of them, Brazil, whose annual arms sales are now \$1.5 billion and expected to be \$5 billion by 1985, has taken sixth place in the arms trade. Israel is seventh. Certain other countries such as South Africa, Yugoslavia, South Korea, Argentina, India and Turkey are trying to break into the field. Turkey, moreover, has the possibility of participation in joint NATO projects.

One characteristic of the arms trade is that it takes place both openly and clandestinely.

How do our chances stand?

Turkey has the foundation of an up-to-date arms technology stretching back at least a century to the "Military Industry" organization. The present Machine and Chemical Industry Establishment has fulfilled this tradition for quite some time as a continuation of the old Military Factories and, to the best of my knowledge, produces certain modern weapons under partial contract. The private sector, again so far as I can remember, has not engaged directly in this business since the Nuri Killi firm [closed]. Faced by a rapidly growing population, supplying the machinery, vehicles and goods and chattels demanded by the consumer economy and developing agriculture have seemed more attractive. However, it may be said with assurance that Turkish industry is advanced enough in technology and "know how" to have the potential and experience to export to the most developed nations. This potential, indeed, experience, most prominent in the ship building, machinery and electricity-electronic fields, will bring sure success, soon bearing fruit -- if other conditions are ripe -- in advanced electronics, computers, lasers and similar areas, as well as arms technology and production. In metallurgy, the problems that will be encountered both as to raw materials and basic technology in high-quality steel alloys and other ferrous and nonferrous alloys are not insoluble problems for Turkey. It is possible to get started initially by the method of manufacturing under contract while also researching and developing types appropriate for ourselves. The Armed Forces foundations and especially the Ministry of National Defense would make very important contributions. The possibility of obtaining aid from allied nations and undertaking joint projects must be taken into account also. We have in our country in the Turkish Scientific and Technical Research Organization an agency capable of conducting research and development of any kind and we have the technical universities and other institutions of advanced technical learning. Statutory and bureaucratic problems must be simpler and easier to solve than the ones we have considered above. Alongside this, the fact must not be ignored that the domestic and foreign circles which do not wish for Turkey to be economically strong or even to have an arms-manufacturing capability of its own will be able to jump in here to apply various pressures just as they have on many other issues.

The time has come for the public and private institutions which lend direction to the Turkish economy, especially the knowledgeable, dynamic and courageous businessmen of the private sector, to focus their attention and discernment on this matter in that it also bears heavily on national security.

8349

CSO: 4654/100

GREECE SHOULD NOT ACCEPT INVOLVEMENT IN POLITICAL PROCESS

Nicosia O AGON in Greek 21 Jan 82 p 8

[Text] Any attempt by anyone to involve the Greek government in our political games and maneuvers in view of the coming presidential election would be impermissible.

Unfortunately, already there are strong indications that some people here are trying to entangle the Greek government and involve it in efforts being made behind the scenes in party and other back rooms, designed to secure its favor or to portray one or the other candidate or blessing one or the other projected cooperation.

We believe, of course, that the Greek government is not so naive as to allow itself to be entangled in our personal and partisan feuds and become the victim of anyone. But it will face with severity every effort or concealed action of intervention in the coming presidential election.

It is certainly the Greek government's concern and intention to help the consolidation and strengthening of the unity of Cypriot Hellenism but no political leader here has the right--under the pretext of strengthening this unity--to draw Greece into his political games. Because in such a case the Greek government's intervention will not help the unity of Cypriot Hellenism but instead will keep up the split and broaden the gap.

We must realize that we must deal with our domestic political problems and our personal and partisan objectives without invoking Athens and without trying to gain the favor of or cause the intervention of Athens. These problems are not going to be solved by securing the blessings or give the impression that the blessings of Athens have been secured.

Our problem seems to be centered at this moment on the coming presidential election. Certain individuals make or are preparing to make efforts to secure the favor of A. Papandreu or to give the impression that they have secured such support or to give the impression that Papandreu favors solutions they like.

Papandreu, however, declared when he became premier that his government is a government of all Greeks. Since he works on this principle we do not think that he will be willing to become the "godfather" or the "protector" of any political personality.

Athens must state categorically to some people over here that it has no intention nor is it proper to deal with our political problems and to interfere in the political affairs of Cyprus. Its role in Cyprus is strictly nonpartisan and purely conciliatory. It is above personalities and its mission is to contribute to the unity of the entire Cypriot Hellenism and to help save it from "Attila."

7520

CSO: 4621/173

DEMOCRATIC PARTY SAID TO WANT TO PRESERVE ITS INDEPENDENCE

Nicosia O AGON in Greek 27 Jan 82 p 1

/Text/ We are informed that Democratic Party /DI.KO/ leading personalities are determined to maintain the party's independence from other parties.

We understand that these party officials, while they favor AKEL's support of DI.KO, do not want to have this support given in exchange for any conditions or trade-offs. As told to O AGON, these officials will fight to maintain the party's independence. These officials believe that it is very important for their party to remain independent and not to be identified fully with AKEL which today is the only party openly supporting DI.KO and President Kyprianou.

In their view, AKEL's support to DI.KO and concessions to it must have a limit. In other words, they might expect a minimum program on the country's social, economic and political issues, but not blackmail and concessions to the point that DI.KO will be considered or appear that it is subject to AKEL.

Background on the Polish Revolution

An illustration of this is the case of the recent resolution of the House of Representatives concerning the situation in Poland. Behind the scenes there had been many consultations before an agreement was reached on the resolution which was introduced in the House, and which in effect did not condemn the imposition of martial law.

It is an indication of the overall situation that the resolution did not even express concern about the situation in Poland as expressed by the two resolutions of the Democratic Rally /DISY/ and /KDEK/, yet DI.KO's parliamentary representative Alexis Galanos in his speech denounced the action of the Polish authorities and the effort of Lech Walesa to further liberalize the country.

7520

CSO: 4621/173

USSR OIL CONCESSIONS REPORTED

Nicosia KHARAVGI in Greek 27 Jan 82 p 1

/Text/ The crude oil supplied by the Soviet Union to the Cyprus Electricity Authority /AIK/ is of very high quality. The USSR could easily sell it to other countries at a higher price than that charged to Cyprus.

This was stated to our newspaper by reliable economic circles commenting on yesterday's inaccurate and malicious report in SIMERINI which claimed that "the price charged to AIK by the Soviet Union for the crude oil was much higher than the price that could be obtained through competitive bidding in the world market."

The same economic circles noted that a comparison of prices must use products of equal value. The "friends" of SIMERINI seem to "forget" that:

1. Soviet crude oil is of high quality.
2. Its sulfur content is very low and this means a) less wear and tear on the AIK equipment and b) higher factor in thermal yield.

At the same time, these economic circles remind the public that in the past the Soviet Union had supplied us for quite some time with crude oil at prices which were lower than those of the world market.

Besides, it should not be forgotten, these circles say, that at the time of the Turkish invasion when nobody dared to come to the aid of Cyprus a Soviet ship came to the island and unloaded crude oil thus enabling AIK to continue serving the people of Cyprus during those difficult days.

7520

CSO: 4621/173

NEED FOR UNITED FRONT, 'MINIMUM' COMMON PROGRAM STRESSED

Nicosia KHARAVGI in Greek 24 Jan 82 p 1

[Text] The problem of wider patriotic unity and cooperation is at the epicenter of attention of the patriotic forces and of the political world. On one side we have the realization of the imperative historical need for unity of action of all the patriotic democratic forces; the conviction that Cyprus can be saved, survive and prosper only with the combined efforts of wider political forces which belong to more than one party. On the other side, we have the fermentations of next year's presidential elections which create political interest for preelection alliances. This confluence of contacts between the patriotic democratic forces for unity of action with the preelection campaign gives the disruptive forces of the extreme Right and the DISY press the opportunity to slander these efforts by presenting them as illegal and ulterior preelectoral horse-trading. Maybe the narrow-minded and calculating extreme Right believes its own words because it is incapable of raising itself above its own selfish interests.

The truth is that there are still in this country many pure patriots who have as their main concern and basic motive the genuine interests of Cyprus and its long-suffering people. For these patriotic democratic forces of our people, the question of united action is the main subject, much broader than the presidential elections. The question of submitting a common candidate in the next presidential election may be the result of such a broad cooperation of the democratic forces on the basic political and other vital issues of our land, This is what upsets the Right so much because it blocks the way to power.

AKEL which in its 55 years has made continuous efforts and assumed many initiatives to promote anti-imperialist and patriotic cooperation, sincerely helps today the cooperation of the patriotic, democratic forces of the Center and the Left, aiming at the unity of action of all those wide forces of our people in the struggle to solve the Cypriot problem and our country's many problems. It is obvious to all honest democrats that AKEL does not want to promote selfish political or other interests with this patriotic cooperation. It is sincere and honest with its associates and respects its political beliefs and views. AKEL seeks patriotic unity and cooperation to promote the people's common interests and the cause of Cyprus. These interests which unite the patriotic forces today are many, immediate and tangible. The differences, ideological, political, economic and social which separate the patriotic forces, under the critical conditions we have been facing since 1974, are secondary and unimportant. In a broad domestic front of resistance

and liberation struggle the patriots may keep their political, ideological and social views without it affecting their fighting unity and cooperation.

This philosophy, the goals, principles and the content of a broad cooperation of patriotic forces must be outlined in a common program. What we call "a minimum common program" will be the indispensable basis, the cornerstone of a very broad patriotic cooperation. The people will know that the unity of action of the parties will be based on principles and above parties and persons. The common program will spell out the goals and the targets of common action. This minimum program will chart our common policy for the basic domestic and foreign political issues, the line and tactic for the solution of the Cypriot problem, the way to deal with all the burning economic and social problems in the context of our liberation struggle.

The common minimum program cannot be merely a joint declaration of goals and political targets. It must foresee, outline and guarantee ways for its faithful implementation in life. The declarations of political principles and targets are important but even more important are the means for their implementation in life.

We shall speak in our next article of the fundamental principles of the minimum program of patriotic cooperation and the ways to implement it.

7520

CSO: 4621/165

PASOK-EDEK COMMON POSITIONS STRESSED

Nicosia TA NEA in Greek 26 Jan 82 p 5

/Text/ The momentous and historic joint communique, issued after the end of the talks between the delegations of the Socialist Party EDEK and PASOK, contains statements of such political gravity that they must become the subject of national consideration. Specifically, the Kyprianou government must study the joint views expressed in the communique because it seems to be far from the spirit of these views and has done nothing to take advantage in practice of the dynamic support of the present Greek government.

The previous maneuvers, decisions and actions, according to the communique, have led to procedures which remained fruitless. These actions are rejected as erroneous because they lead indirectly to a recognition of a fait accompli and to a separate entity in the occupied North. This was done by considering the /intercommunal talks/ dialogue as a goal in itself thus giving Turkey the opportunity to move toward the de-internationalization of the Cypriot problem.

The two delegations repeated the common view that it is necessary to put the Cypriot question back in the international framework and to stay with the UN resolutions as the correct framework to seek a solution of the Cyprus problem.

In their joint patriotic course the two socialist parties forge a constant and steady cooperation with clear-cut goals on the Cypriot question, namely, unity, territorial integrity, return of all refugees to their homes, free movement, demilitarization and all the basic principles agreed upon as the basis for dealing with the Cyprus question. All Cypriots must remain steadfastly committed, regardless of party affiliation. Only in this way will it be possible to avoid the pitfalls resulting from unacceptable concessions.

7520

CSO: 4621/173

KYPRIANOU: TURKEY WILL NOT CREATE INCIDENTS

Nicosia O AGON in Greek 29 Jan 82 pp 1, 5

/Interview with President Kyprianou by O AGON Correspondent Mimis Konstandinidis/

/Text/ Athens, 28 January--President Kyprianou revealed that no elections will be held prematurely and refused to make any statement as to whether he will be a candidate for a second presidential term.

"The elections will be held regularly at the end of the 5-year term," the president told me during an exclusive interview with him today. He also said that the Cypriot government has assurances that there is no intention whatever on the part of Turkey to create anomalies in Cyprus and pointed out that the next few months will show whether the /intercommunal/ dialogue should be continued or other procedures found. The interview is as follows:

Question: The time is nearing for presidential elections in Cyprus. As is known you will be again a candidate. Are you concerned about your election and how do you feel about the decision by Lyssaridis to be one of your opponents?

Answer: I would not like to comment or to make statements about the elections which in any case are not taking place soon. We still have considerable time, I think, and matters have not yet been formulated definitely to enable me to express any view.

Question: Will the whole 5-year period be served?

Answer: Yes, the whole 5-year period will be served. Thus elections will take place regularly at the end of /any/ 5-year term.

Question: At this moment the Cyprus question is at the nonexistent level. The intercommunal dialogue is in danger of being terminated while the Turks are continually bringing to Cyprus new forces and are threatening new accomplished /facts/. What do you plan to do?

Answer: First of all, about the various reports concerning reinforcements of the Turkish forces in Cyprus--and indeed we too had similar reports and we had made various representations--we have received assurances from various sides that Turkey has no intention whatever of creating anomalies in Cyprus. Therefore there

is no justification for concern. This is the assessment of both the Greek and the Cypriot governments. More generally, it cannot be said at this moment that the Cyprus question is at a point of nonexistence in the sense that there is no interest in it. On the contrary, through the various recent actions initiated internationally by both the Greek and Cypriot governments the international interest has clearly increased.

It is a fact that the dialogue has not led until now to any results and that the Turkish attitude continues to be the same. The issue's philosophy is the same-- the philosophy of division, that is, has not changed. Our policy is crystal clear: to exhaust all margins of the dialogue within reasonable time periods. If no substantial progress results, the next step, as already decided in advance, will be the discussion of the Cyprus question in the UN General Assembly and possibly in the Security Council.

What we are after is a serious issue which occupies at this moment both the Greek and the Cypriot governments. The relevant discussions will be continued and the issue will be discussed in our Ministerial Council.

Question: If you please, what do you hope to achieve in the UN when so many previous resolutions have not been implemented?

Answer: First of all, a debate in the UN creates new interest in the Cyprus question on a broader scale than what interest could exist if no discussion takes place at all. As I mentioned earlier, we have no other choice but to bring the issue before the international society and to promote positions regardless of the result, such as, for instance, an international conference within the UN framework or a UN committee which cooperates with the secretary general in promoting a solution. There are many other suggestions which must be studied and discussed. Personally, I would reverse the question and say that, true, the UN resolutions have not yet been implemented but they continue to constitute the defensive armor of the Cypriot issue. If such UN decisions were not taken or if adverse resolutions were adopted the Cypriot problem would possibly have been solved long ago in favor of the Turks. Therefore, under this concept also the UN resolutions are useful and our objective and target is the promotion of these resolutions. It is for this reason that during the first phase of the dialogue now going on we raised the question of the UN resolutions and the summit decisions. These resolutions, therefore, are valuable even though their implementation meets with well-known difficulties.

Question: A section of the press accuses your government of lack of courage in handling the promotion of the issue. What do you have to say?

Answer: The accusation is not sound. There was never lack of courage on my part. In no case whatever, I would say. What exists is responsibility and determination.

Question: Together with the Greek government you have decided to make public the Cyprus file. Do you think that this is the right moment for such action which in all probability may help the Turkish position?

Answer: The opening of the files is a historic need: to fully inform the people about what happened and to punish the perpetrators of this crime. Of course, there is no question of revenge against those who were misguided. We speak only about the perpetrators and I don't think that this action will help the Turkish side in any way. This matter was discussed extensively with Papandreou during my stay here and we decided that opening the files was necessary.

Question: The leader of the major opposition /In Cyprus/ points out in a statement that a possible suspension of the dialogue may bring a regression of the Cyprus issue. What do you think?

Answer: The issue is whether or not the dialogue is suspended for reasons of expediency. The dialogue is not a goal in itself and in any case it is not continued or suspended intentionally. The question is whether it can yield meaningful results because a dialogue cannot be continued permanently if the Turkish position continues to remain unchanged. It is evident up to now that the Turkish side never intended to change its position. Therefore, without condemning the dialogue as a procedure, we are forced to turn to other procedures for promoting our national issue whenever the dialogue fails to bring results and leads to a deadlock.

Question: What do you consider as the proper time for suspending the dialogue?

Answer: This will depend on its progress. The events will show how it fares but I certainly believe that in a few months we will be able to ascertain definitely and irrevocably if it must be concluded that the dialogue has reached a real deadlock.

7520

CSO: 4621/179

ATTEMPT TO ISOLATE AKEL ON POLITICAL SCENE CLAIMED

Nicosia KHARAVGI in Greek 24 Jan 82 pp 1, 9

/Text/ While the supreme interests of the struggle of the Cypriot people demand the broadest possible cooperation and unity of the democratic forces, there are signs lately of certain moves aimed at the breakup, the undermining of the line and tactic set by the National and the Ministerial Council, and the realization of adventurist slogans and the satisfaction of personal and petty partisan ambitions.

Cross-checked and absolutely reliable reports indicate that these moves are led by certain former ministers encouraged by the archbishop and his grandiose pronouncements as well as by the circles of certain parties. Some of them go back and forth to Athens trying to secure support from certain PASOK circles and at the same time they organize meetings and contact persons in various parts of the island, checking the chances of forming a new political movement or party of a socialist or social democratic type.

Servants of the Right

How disruptive is the "initiative" of these circles is shown by the fact that they not only reject AKEL's call for a minimum program of cooperation among the totality of the democratic forces but also by the fact that some of the protagonists do not hesitate to tell persons they contact that AKEL must be isolated or that it must cease being the "mover and shaker" of our political affairs. They are even trying to draw to their side leading members of DI.KO, the Democratic Party, by stressing the communist scarecrow and openly slandering AKEL and its leadership.

It is evident that any effort of "progressive" or "leftist" elements to isolate or push around AKEL serves the extreme Right, because AKEL is the most massive and strongest segment of democratic forces on the island, the main stronghold for the support and promotion of the rights of the people.

Without cooperation with AKEL any supposed progressive movement will serve, whether it likes it or not, the interests of the Democratic Rally Party /DISY/. At the same time, it will offer a service to the enemies of our people outside of Cyprus who aim to hurt AKEL in every way and to lead the island toward different international alignments.

Parallel DISY Actions

It is worth noting that at the same time leading DISY members move in the same direction. These DISY cadres either officially on behalf of the party or informally engage in various activities in the direction of DI.KO elements to form an alliance with the Right. Their arguments are similar to those used by the fake "progressives." They, too, raise the "communist danger," invoke the displeasure of the West which is portrayed as the only force that can "help" solve the Cypriot question and suggest that the role of AKEL must be reduced because it displeases the West.

These moves by DISY circles are also related, according to valid reports, to centrifugal tendencies within the party of the extreme Right. Two tendencies are becoming increasingly visible inside DISY; on one side the coup and pro-coup elements and on the other the more moderate forces which fear the organization and "dynamism" of the EOKA cell whose presence and activity, they believe, has begun to harm their party.

On the other side, these same leaders see clearly that DISY cannot win executive power with its present composition and leadership. For this reason they believe that only in cooperation with circles of DI.KO and the political groups may they have some hope of raising to the presidency a person controlled by the Right.

Nonetheless, the efforts of both groups have brought minimal results and assure, according to political observers, their bankruptcy. The observers express their certainty that sound patriotic forces and all prudent democrats will respond positively to the imperative need to form a strong patriotic front which will be able to provide the preconditions for an acceptable solution to the Cyprus problem and the improvement of our people's economic and social level.

7520

GSO: 4621/165

HESSE ELECTION SEEN CRUCIAL FOR BONN COALITION

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 15 Jan 82 p 8

[Article by Bernd Erich Heptner: "Hesse SPD Preparations for Landtag Elections"]

[Text] Press spokesman Scherer of the Hesse CDU has problems: his party is currently doing too well. Opinion polls give the highest standing to the Christian Democrats--about 50 percent, some 36 percent to the SPD, around 6 percent to the FDP and at least 6 percent to the Greens. For Scherer and many thoughtful people in his party this is grounds for pessimism rather than optimism. He is wondering how such top form and such excellent prospects can be preserved for a period of 8 months until the Landtag elections. He has his doubts in this regard. A further problem is the fact that the SPD has shown repeatedly that it was capable of emerging victorious from a completely hopeless situation.

The SPD knows this, of course, and for that reason the mood of its Hesse leadership is not nearly so depressed as the election forecasts might cause one to assume. Even though a great deal of wishful thinking may account for a large part of this a certain portion of the confidence is genuine. Nine months before the election such a low point is an excellent position to start from, SPD Land Party Secretary Giani argued recently. This was less sarcastically meant than it sounded. For fatal situations, even those for which the SPD itself was responsible, have often enough worked out to the advantage of the Hesse SPD in the end. Minister President and SPD Land chairman Boerner cast this in terms of a pithy formula: "The SPD is a party which creates problems for itself to show how they can be solved."

The SPD leadership is currently using every opportunity to bring the precarious situation to the attention of the party not, of course, without comforting it at the same time--somewhat according to the slogan: "The situation is hopeless but not serious." While the CDU prefers to hold back its numbers forecast so as to avoid raising spirits too high, the SPD gladly distributes its allegedly confidential data from which it believes it can conclude: "Many voters are at the moment disappointed but can be won back" and "The great popularity of Minister President Holder Boerner and his clear lead over Alfred Dregger are the most important capital the party has for the election campaign," according to an executive committee paper.

The Hesse SPD is thus being reminded once again of the great "Schuschlu" (closing of ranks), the drawing together of the party and the "solidary" support of the great chairman. The actions of the Young Socialists and many a local club in labeling the

Hesse government policy as incompetent and threatening a boycott of the elections are being dismissed as a marginal problem. They are giving the same treatment to the announcement by a group of renegade Hesse social democrats that they want in the near future to form a party to the left of the SPD with the name "Independent Social Democratic Party" (USD). The motor party may, of course, be right in its evaluation of these malcontents. The repeatedly postponed establishment of the new party clearly demonstrates the weaknesses in personnel and concept of this hollow-chested attempt to found a "green" SPD. The USD is certainly not the answer to that "organizational question" which the Offenbach left-wing extremist Coppik wanted to pose.

In the Hesse SPD at the moment there is a strong tendency to explain as marginal problems all those difficulties which have caused trouble for the party in the past years and months and which led the SPD through repeated turmoil with great damage to its reputation. Conspicuously little is now being said in the larger government party in Wiesbaden about the Frankfurt Airport extension and the atomic reprocessing plant and third nuclear power cluster in Biblis--as if the Christmas peace which, in accordance with the government leader's wishes, finally stilled the airport controversy, had at the same time covered all the Land's problems. But this is far from clear. As might have been predicted, for example, the Christmas peace on the airport runway has proven to be an illusion. The attacks of militant opponents to the runway on the wall around the construction site continued and the citizens' movements have already announced the building of a new "village of huts." The FDP and the CDU have not altered their insistence that the conditions for a permit for the construction of part of the installation at Biblis C have been met.

This weekend, however, at a Land party congress in Kassel which will be completely pre-occupied with the Landtag election, the SPD will try to make plain what they consider to be the true problem of Land Hesse: the stabilization of the SPD/FDP government in Bonn. On an occasion a few days earlier Land Party Secretary Giani indicated the direction in which the beginning election campaign is likely to develop: "An election victory for the conservatives in Hesse would put an end to the peace policy of the social-liberal federal government. With the achievement of a two-thirds majority in the Bundesrat the CDU would be in a position to block the entire policy of the Federal Government." Giani cited the declaration of CSU politician Zimmermann on the probable end of the Schmidt government after an electoral victory in Hesse. And of the leading Hesse CDU candidate, Alfred Dregger, the SPD man said Dregger "stands sharply opposed to the peace policy of the Federal Government." Giani is thus seeking to mark Dregger as an enemy of peace.

If one accepts the SPD party secretary's position the Hesse election becomes purely and simply a question of the maintenance of peace; the Landtag electoral campaign will, in his words, become the "most dramatic political debate of the post-war period." With this evaluation it is only logical that the statement of principles at the Kassel party congress will be delivered by the SPD Nobel Peace Prize holder. Party Chairman Willy Brandt, who is apparently gradually becoming the permanent guest of the Hesse SPD. He has been there twice already very recently (at an SPD faction meeting and at a conference of functionaries) for the purpose of shoring up the sole remaining though also already cracked SPD/FDP pillars of support which the Bonn government still has in the Laender.

Not only Brandt but also Boerner will point the way for the Hesse SPD in Kassel. He will submit his plan for the next legislative period to his party. The Hesse social democrats will also see to it that things do not go too well for the CDU. Their press spokesman would soon seem no longer to have grounds for concern.

9827

CSO: 3103/236

SCHLESWIG-HOLSTEIN SPD, FDP SPLIT ON NUCLEAR ENERGY

Bonn DIE WELT in German 21 Jan 82 p 5

[Article by Bernd Lampe: "Nuclear Power Driving a Wedge Between SPD and FDP in Schleswig Holstein:]

[Text] New grounds for conflict are in the making between the SPD and its partner of choice, the FDP, two years in advance of the Land parliament elections in Schleswig Holstein. While the FDP has given its approval to the nuclear power plant at Brokdorf provided that nuclear wastes can be properly dealt with, the SPD continues to hold to its anti-nuclear power position.

The immediate cause for the controversy has been a fact-finding trip of Schleswig Holstein's minister of economics, Juergen Westphal (CDU), to nuclear power plants in the south of France some two weeks ago. In light of the nuclear waste recycling and intermediate storage installations there, the leader of the FDP caucus in Kiel, Martin Schumacher, gave voice to his thoughts on the possibility of such installations in this northernmost Land of the FRG. He also brought forward for discussion the salt deposits between Quickborn and Elmshorn in the administrative district of Pinneberg.

Opposition leader Klaus Matthiesen (SPD) characterized Schumacher's proposals as "utopian and silly chatter." Matthiesen, who stated a year ago that he no longer was willing to be the top SPD candidate for the Land parliamentary elections because of Chancellor Helmut Schmidt's nuclear energy policy, maintained more housing units and regional heating networks should be undertaken to aid employment instead of pressing forward with the expansion of nuclear energy or recycling plants.

Two SPD Land parliament members, who had wanted to take part in the trip to France, were forced to withdraw on short notice because of the vehement objections of their caucus. The praise that Matthiesen had showered on the French nuclear energy program after a visit to the nuclear waste recycling station at La Hague last October, had brought him a hard enough time with his party colleagues.

Even economic policy spokesman for the CDU fraction, Klaus Kribben, turned a deaf ear to Schumacher's plans: "The construction of a terminal nuclear waste storage facility is not on the CDU's agenda." Minister of Economics Juergen Westphal (CDU) did however concede that all the states in the FRG had been urged to think about a concept for the disposal of nuclear wastes.

Even FDP member Schumacher was not to be put off: "Anyone who abides by the slogan, as few nuclear power plants as possible and only when nuclear waste disposal has been assured, has got to say what he means by safe nuclear waste disposal." The FDP deputy asked "Who is it anyhow that gives us the right to expect plans and decisions to come only from Lower Saxony, Hesse, Rhineland-Palatinate, Baden-Wuerttemberg, North Rhine-Westphalia or Bavaria?" He continued, "Deputies are not elected to pose questions only when everyone knows the answers, and they are also not elected to pose questions that concern everyone only behind closed doors."

The heavy criticism levelled by the Schleswig-Holstein SPD against the Federal Government's energy policy has long been a burden on the relationship to its coalition designate, the FDP.

The executive committee of the Schleswig Holstein SPD declared unanimously last November that the third extension of the Federal Government's energy program was "not in accord" with the resolutions of the SPD party convention in Berlin. SPD Land Chairman Guenter Jansen only recently reaffirmed the anti-nuclear stand on his party, which last October passed a resolution renouncing nuclear technology and hopes to press for its adoption at the coming national SPD party convention in Munich. Said Jansen, "If this does not succeed, it will be time for many Social Democrats to recognize that the failure of the SPD to renounce nuclear energy will no longer be accepted as the way to go and it will have its consequences," He, however "had not yet reached this point."

Jansen, who spoke of an "enormous swindle with nuclear energy", had, as early as 3 years ago, made his continued membership in the SPD contingent upon "the halting of the expansion of nuclear power, as far as this lies within the SPD's sphere of responsibility."

9878

CSO: 3103/250

VERHEUGEN STRESSES IMPORTANCE OF FDP IN LAND GOVERNMENTS

Duesselforf HANDELSBLATT in German 18 Jan 82 p 3

[Interview with Guenter Verheugen, secretary-general of the FDP, by Hans Joerg Sottorf; date and place not specified. "FDP Has Learned Its Lesson From Berlin"]

[Text] If the shift from the three-party system to a four-force system should lead to consequences in the coming elections as it did in Berlin, then the FDP has a political responsibility to assure that a Land can form a government. This was the statement of FDP secretary-general to the HANDELSBLATT.

[Question] The FDP in Berlin and in Hamburg has become "the talk of the town." Because of new registrations in the FDP there, movements have developed to shift the balance of strength between the party's Left and Right wings. What do you think of these movements and what results will they have for party headquarters in Bonn?

[Answer] I am not particularly disturbed by them. To make the scale of things clear--the total number of new party registrations in the Berlin and Hamburg areas is in the neighborhood of some 400. This represents almost exactly the number of memberships that the FDP needed to achieve a delegate mandate at the national party convention. In Berlin as well as in Hamburg the question is of changing the decisions about the party's orientation by changes of majorities at the party's basis. This is an absolutely legitimate goal.

[Question] Can the FDP find itself in "the Berlin situation" in the coming primaries among the other party districts?

[Answer] The shift from the three-party system to a four-force system with the Alternatives, Greens and Motleys can have consequences in some cases like Berlin's. Then we will have a political responsibility to assure that a Land can form a government.

[Question] That is the opinion of the secretary-general.

[Answer] That's the opinion of the entire party. The lesson to be learned from Berlin, I can say definitely, has been learned in all the Land organizations of the party. I am not worried that something like that could repeat itself. My concern

is that election results could be recorded that would not make even a Berlin-type solution possible. In Berlin we at least had the possibility of making the strongest party capable of forming a government. But it would be altogether possible that there could be election results in which we would not be able to form a majority with either the CDU or the SPD.

[Question] The Land parliamentary elections, particularly in Hesse, could have repercussions on the situation in Bonn, because changes in the majority relationships in the Bundesrat are possible. How will the FDP react in that case?

[Answer] I can give two indications of what is to be watched for on this issue. The first: the social-liberal coalition in Hesse is at the moment the only coalition of this kind at the Land level. Assuming that the majority proportions in the Bundesrat do not change as a result of the elections in Lower Saxony and Hamburg, then Hesse's would be the election which could result in a two-thirds majority of Union-governed Laender in the Bundesrat. If the prevention of such a majority were to be an election goal in Hesse, then the Bonn coalition would have to come forward with a posture that would make it seem useful and possible to the voters to support the Bonn coalition once again by the detour via Hesse. This is one of the reasons why the climate in the coalition in Bonn has changed for the better in recent times.

[Question] The election in Hesse will have a serious impact upon politics at the national level then?

[Answer] Yes, that's predictable. But I would emphasize: the FDP in Hesse has never viewed its coalition preference as a mere formality; in fact in both 1974 and in 1978 it was argued very heatedly. I can't predict the results for 1982. Still and all, the top CDU candidate Dregger is still burdened with an image that would make it very hard for liberals to look forward to working with him.

9878

CSO: 3103/248

FDP SEEN CLOSER TO SPD THAN TO CDU/CSU

Bonn RHEINISCHER MERKUR/CHRIST UND WELT in German 22 Jan 82 p 1

[Article by Walter Bajohr "Staying Afloat With Tricks. The Coalition Putty Still Holds"]

[Text] Last summer FDP party leaders Hans Dietrich Genscher and Otto Count Lambsdorff were advertising the liberal determination to bring about the "turning point." What had been imprinted upon the economy and the national budget was also generally interpreted in terms of coalition policy. In view of the heated discussions of budget cuts between the FDP and the SPD, the social-liberal coalition seemed to be nearing its end. The FDP's "turning-point" in the direction of the CDU seemed for many of us to be but a matter of days.

In the meantime the FDP has indeed turned around, not toward the Union, but in the direction of a change from its momentarily deviant course back to its old partner, the SPD. Apparently that is where one feels most at home. It is no wonder then that many things that are being proclaimed by the FDP in the field of economic policy, and regarding the whole complex of problems that Poland represents, are wildly at odds with what was being hammered out during last summer's coalition crisis in the name of Free Democratic independence. The CDU and the CSU, in any case, have had to come to terms with the fact that the FDP is less likely now to join forces with them than ever before.

Against this background, the latest game of blind-man's-bluff in Bonn with regard to employment programs and their financing becomes somewhat more transparent. Anyone who sees the federal chancellor, Finance Minister Hans Matthoefer and Economics Minister Count Lambsdorff as a bulwark against frivolously financed inducements to investment, is sooner or later going to be disillusioned. Even a man so rigidly committed to the principles of a free market economy as Lambsdorff will in the end moderate his position when something is at stake for his own party. And on the advent of four Land parliament elections this is no small matter.

One thing here determines another. Last year the liberals had much more plausible reasons to break off the social-liberal liaison. But at the decisive moment they shrank back from this. The opportunity was lost, because in spite of all the turbulence of the moment the FDP clientele still views the SPD as its partner of choice and would only be willing to accept a change in coalition at the price of new elections. But this remains for the FDP as much of a risk as ever.

It is only a short step from this awareness to the willingness, masked behind a good deal of brow-furrowing, to continue their support, in company with the SPD, of many things that would at another time have been the occasion for staging a new coalition crisis. The budget debates this week demonstrated from the outset that the FDP was not prepared to make any drastic changes of course on budgetary matters, because it did not want to put the coalition into jeopardy. This is why the pressures exercised not just by the Left wing of the SPD, but most strongly by the trade union wing of the SPD and by the trade unions themselves, upon the SPD with the aim of getting an employment program enacted--no matter how it will be financed--also indirectly affects the FDP. Chancellor Helmut Schmidt and his finance minister Hans Matthoefer can march onto the field carrying whatever noble principles they like, declaring their refusal to finance such a program through new borrowing or tax increases because of the possible adverse effects upon the economy as a whole. In the long run they will have to accede to the pressure of the trade unions, so as not to alienate the last faithful followers in this unruly party. FDP boss Genscher and his economic wizard Lambsdorff know only too well that--despite the parliamentary majority--the clay-footed Federal Government could not withstand mass protests organized by the trade unions protesting unemployment.

The budget debate revealed that the FDP's surprising proposal to finance an employment program by increasing the value-added tax next year, was little more than a delaying tactic. But since, as Genscher emphasized before the full parliament, this had not by any means been concluded but only put forward as a possibility--which assumes the willingness to act on such an assumption--many hearts have been calmed, that thought the FDP to be once again on a collision course headed for the SPD and the unions.

One thing is certain, that the Federal Government will enact employment policy programs and in the very near future. For neither the SPD nor the FDP want to leave themselves open during the coming Land parliament elections to the charge of having done nothing to combat unemployment. For the same reason the CDU, which will also be affected by the coming Land elections, are not going to do anything to hinder such programs.

Anyone who was not convinced by the amazing harmony of the FDP/SPD regarding Poland will certainly have his eyes opened by the discussion of the employment program to the fact that there is scant hope of any collapse of the Bonn coalition for the near future.

Genscher's appeal to the CDU/DSU to show a common front, at least on the Polish issue, belongs to the same bag of tricks, since this would work to the FDP's advantage in every respect. First off, they can boast of having been the first one to have brought such a common front into being. Second, it affords the opportunity to point out that the FDP and the SPD were quicker to unite on questions of foreign policy and national security than was the case with the Union, for which reason there is no need to talk about a change. And thirdly there would be cooked up a well-homogenized stew of all those in the country--perhaps even a majority--who would prefer not to be troubled by serious foreign turbulences and who do not wish to be shaken from their comfortable complacency. The moral of the tale: it is not only the old saw of foreign policy being a function of domestic policy that still holds true but politics as a whole in this country is apparently a direct function of party politics--namely those of the FDP.

HAMBURG MAYOR DOHNANYI ON DEFENSE, SPD

Hamburg DER SPIEGEL in German 1 Feb 82 pp 22-25

/Interview with Klaus von Dohnanyi, mayor of Hamburg, by SPIEGEL editors Wolfram Bickerich, Manfred Ertel, Klaus Wirtgen/

/Text/ /Question/ Mr Mayor, the weekend before last the Hamburg party called for an arms moratorium during the period of the Geneva negotiations. You later apologized for having been absent for a minute. What could you have wanted to prevent?

/Answer/ The party resolved that a moratorium for medium-range weapons should be contemplated only if this would improve the chances of success in the negotiations between NATO and the Warsaw Pact; the decision is to be made in 1983.

A passage resolved upon later is conducive to misunderstanding. This says that, during the period of the Geneva negotiations, there should be "no emplacement and modernization of new and already manufactured short-range and medium-range missiles." The insertion of "medium-range missiles" by the party congress may be misinterpreted. Though, in precise terms, it refers only to "already manufactured" medium-range missiles, the phrase was publicly interpreted to mean a moratorium, something that was certainly not intended. If I had been there to spot the possible misunderstanding, I might have been able also to urge a more precise definition.

/Question/ You speak of contradictions, misunderstandings and mistakes. Is not the mistake in fact to be found in your subsequent attitude and your public description of a clear party congress vote as a mistake?

/Answer/ It is not. The vote is clear-cut. And I do not claim that I could have prevented the mistake. Still, I should not have left.

/Question/ Why do you have to apologize for your absence when the party congress simply asked that no further rearmament should be undertaken in the period of the disarmament negotiations? Where is your omission?

/Answer/ The party congress explicitly stated that there should be no moratorium at the present time but that the issue of a moratorium ought to be examined if such a procedure were likely to contribute to the success of the negotiations. That is quite clear. Two paragraphs later comes the demand that this should not be undermined by the emplacement of new short-range missiles. At that moment a

delegatn thought that already manufactured medium-range missiles should also be included. This is where the misunderstanding occurred.

/Question/ In short, after 2 days of debate about defense you simply disclaim the expertise of the party congress.

/Answer/ I do not. However, even an expert may err.

/Question/ At some time the federal chancellor was present, the defense minister was there also, and so was a Hamburg mayor who had worked in the foreign ministry for many years and is considered by his party to be an expert on security and foreign affairs.

/Answer/ Quite so.

/Question/ All of them ought to have had enough expertise to help avoid misunderstandings.

/Answer/ The delegates, too, have expertise. To err is human, and that goes for all of us.

/Question/ You accused the party congress presidium of lack of competence and talked of "management mistakes."

/Answer/ No. These quotes are wrong, and the newspaper concerned published a retraction.

/Question/ So we are left with this: If the party congress is not deficient in expertise, it is most likely lacking in the reporters present...

/Answer/ Oh no! Has not DER SPIEGEL ever made a mistake?

/Question/ ...so once again it was the fault of the press that the party congress appeared to the public in a false light. After all, that became obvious when the federal chancellor remonstrated with you in Bonn 2 days later.

/Answer/ Really, the matter has been fully explained. It is annoying, for the chancellor also. In fact, though, the party congress stands four square behind the chancellor.

/Question/ So therefore it was the fault of the press, after all?

/Answer/ No. It is really a pity to waste time.

/Question/ What do you think your voters will be left with now?

/Answer/ Unfortunately--and against the real happenings, a good party congress with clear majorities and responsible discussions--an impression of vacillation.

/Question/ Do you feel that this is partly your fault?

/Answer/ I do.

/Question/ Is not this public image typical for the current lack of credibility in your party? Available to visitors to Bonn SPD headquarters is a booklet of which large numbers have been printed. The subject: Peace party SPD. You are one of the authors...

/Answer/ ... I stand behind every word.

/Question/ It says there that the "most important contributions to the security of the FRG and Europe" are not represented by "additional arms" but by limitation and disarmament.

/Answer/ That is correct.

/Question/ What is the use of such high-flown professions if the same politicians balk at the demand from the party rank-and-file that no secret rearmament should proceed while negotiations on disarmament are under way?

/Answer/ That sounds like a polemic. The debate about the dual resolution is a debate about the best way to achieve a zero solution. We want to make sure that the Soviet side removes medium-range missiles, thereby enabling the West to forego building up new stocks. The respective negotiations are not helped if we intimate to the negotiating partner that we will do nothing even if the negotiations drag out for 30 years. That is the reason why the Federal Government opposes a general and unlimited moratorium. Nobody disputes that we will not emplace anything before 1983 and that, therefore, we have a de facto moratorium by the West.

/Question/ Still, your Hamburg party mistrusts this statement. If it did not, the party congress would not have resolved upon a complicated sounding but basically simple formula: "The SALT II protocol on land and sea based Cruise missiles is extended beyond 1982."

In fact this protocol expired on New Year's Day, and the Americans are therefore entitled to emplace Marsh missiles on ships. Western arms modernization can begin, may in fact have begun already, although the parties are negotiating in Geneva.

/Answer/ The party congress called upon the United States and the Soviet Union to extend this protocol. After all, we do not conceal our opinion that SALT II should be ratified.

/Question/ In that case, why did your party executive last Monday reject an almost identical motion by SPD left winger Oskar Lafontaine?

/Answer/ This protocol cannot be extended by us. We can only appeal to the United States and the Soviet Union.

/Question/ Every appeal in regard to defense is directed to the superpowers. We do not sit at the negotiating table; nevertheless the SPD has discussed this matter for years--incidentally with every justification.

/Answer/ Just so. And the party executive is obviously bound to consider the realities of the matter.

/Question/ And they consist of contradictions. You attempt to play down a contradiction which will evidently be even more explosive at the federal party congress. The Americans want to rearm. Many Germans do not share that wish; your party even less.

/Answer/ Of course there is a defense debate in my party. Of course there are majority and minority opinions in the matter. We even have members who want to torpedo the NATO dual resolution; there was actually a motion to that effect.

However, the real issue is that of majorities. The majorities of the Hamburg party as well as those of the federal party congress--and you will see that--are with the line pursued by the Federal Government and party executive: Achievement of the zero solution by negotiations about the NATO dual resolution; no yielding on the NATO dual resolution at the present time, nor any undermining.

/Question/ Therefore no secret rearmament in the time gained if the SPD were to postpone the new discussion of the dual resolution from spring 1982 to autumn 1983?

/Answer/ At the present time the emphasis must be on negotiations. A decision should be made only when it is possible to foresee the conclusion

/Question/ The principle here is hope, isn't it?

/Answer/ Hope, yes. But that holds true for defense policies generally as sustained by the superpowers. We can merely express our feelings and hope to influence our partners.

/Question/ Still, the excited discussion does show that it has even become difficult in the SPD to formulate the desirable objective. There is criticism when the SPD pleads for a nuclear-free zone; there is also criticism when Willy Brandt takes up the proposal of a nuclear-free zone for northern Europe.

/Answer/ You must consider the Hamburg resolutions from a long-range viewpoint. Our goal is the abolition of all nuclear weapons.

/Question/ Prof Richard Loewenthal, the ideologue of the SPD right, puts it somewhat more honestly: "An all-round total renunciation of nuclear weapons--even if it could be achieved--would not solve our security problem."

/Answer/ It is not a complete solution because "conventional" dangers remain. But I would be happy if we could begin by abolishing nuclear weapons all over the world and exercise the appropriate supervision. I would also be happy if, in connection with this step, we would be able to reduce to a minimum all conventional weaponry in Europe and do so in a balanced way. We would then actually have greater security in Europe.

/Question/ Can you imagine that we might initially be satisfied with another level of balance? Possibly the way Schmidt and Brezhnev stated jointly in 1978, when they

spoke of "approximate parity." Would it be enough for Moscow to reduce its missile capacity to the 1978 figure?

/Answer/ I think that we should talk of facts rather than figures for certain years. At this point we must take into account the change in the situation, which arose due to increased Soviet armament. We are bound to ask in how far the emplacement of the SS-20 altered the Soviet Union's nuclear capacity, the potential threat to Western Europe? Should this increased threat be corrected, the West will not need more arms.

/Question/ That, after all, sounds like the basis for the Geneva negotiations: The Americans renounce the dislocation of their sea based Marsh missiles. The Soviets obligate themselves to return their potential to the status of 1978.

/Answer/ I cannot at this time say with any certainty whether such a proposal would have a chance of acceptance. I could imagine so, but the issues involved are highly technical and difficult.

/Question/ You are hoping for the first results of the negotiations in autumn 1983. Is this not a highly unrealistic assumption for a formerly very active foreign affairs specialist? Following Afghanistan, and even more Poland, the Americans have shifted their entire Eastern policy. The ministry for foreign affairs is producing plan studies signifying the abandonment of detente. Is it at all possible to assume that successful negotiations might be possible below the new level of confrontation between East and West?

/Answer/ First of all the planning paper of the ministry for foreign affairs is not an official document; secondly it does not, in my view, amount to the abandonment of our Eastern policy.

/Question/ It merely turns it upside down.

/Answer/ I do not agree. If I understand the paper correctly, it intends to demonstrate how detente may continue, taking into consideration the changed objective conditions and a changed emotional climate, especially in the United States. Still, as I see it, the document nowhere abandons detente altogether.

/Question/, Do you consider it helpful?

/Answer/ Reflection is always helpful. It only stops being helpful if misinterpreted by the press.

/Question/ We are back with the press. Is not this study rather an attempt by Foreign Minister Hans-Dietrich Genscher to create an alibi vis-a-vis Washington, in the meaning that he is quite aware of the need for changing the detente policy?

/Answer/ In his capacity as foreign minister, Herr Genscher has been a consistent champion of detente for 8 years. There is no reason to doubt his intentions.

/Question/ The federal chancellor seems to view the matter differently. At last Wednesday's Cabinet meeting and in the presence of the foreign minister he made some highly critical comments about this study.

/Answer/ I am no longer a member of the cabinet. I had occasion to read the paper. It asks how to pursue detente in a much changed emotional climate.

/Question/ And how is that to be done?

/Answer/ By trying to be realistic. There has been a change of Administrations in the United States, and there will be a change in the Soviet Union at some time in the future. We must intimate to the Soviets that we do not intend to outarm them, that we are not interested in destabilizing their sphere of influence; at least not we in the Federal Republic.

/Question/ Mr Mayor, in the Hamburg election campaign you will probably be preoccupied by domestic rather than by foreign affairs?

/Answer/ That is my intention.

/Question/ Do you think it helpful for a debate about tax increases now to be in the forefront of this election campaign? Do you agree with the oil tax increase proposed by Finance Minister Matthoefer?

/Answer/ It is high time for something to be done about the increasing unemployment. As additional investments must be financed by government aid but not primarily by way of new borrowing, it must be done by way of taxes. I myself am no advocate of an increase in oil taxes. I would prefer to raise the value-added tax rate. But this is largely a decision for the Federal Government to take.

/Question/ Did you tell the chancellor?

/Answer/ I did.

/Question/ The Hamburg election is set for June. Currently tax increases are a bone of dissension, at a time when the image of the SPD is already rather sad. At the margins the fabric is fraying, some people such as Manfred Coppik are leaving altogether. Resignation is widespread in Bonn. How do you aim to win the election?

/Answer/ I do not share your appraisal, though admittedly the media does see the issue as you do.

/Question/ Here we go again, the press...

/Answer/ Let me tell you quite frankly: In the Bonn party executive and at a meeting between the Social Democrat heads of Laender governments and the chancellor we noted unanimously that Social Democrat self-confidence is on the rise again. The party is stabilizing.

/Question/ The question is at what level. The last polls indicate that neither SPD/FDP nor CDU will obtain a clear majority in Hamburg. Would you attempt to form a minority government?

/Answer/ I have a single aim--to make the Social Democrat position so strong among the citizenry that Social Democrat politics may be pursued in Hamburg and social-liberal politics in Bonn.

/Question/ Mr Mayor, we thank you for this interview.

11698

CSO: 3103/263

FDP'S EXTRAPARLIAMENTARY ROLE IN NORTH RHINE-WESTPHALIA STUDIED

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 18 Jan 82 p 10

[Text] Duesseldorf in January--The Free Democrats in North Rhine-Westphalia are at the present time entering their third year not only without elections but also outside the parliament. Since the defeat in the Duesseldorf Landtag elections of February 1980 which were characterized by the party itself as devastating, it has become very quiet in this Land party organization which, with 25,000 members, is by far the largest. Elsewhere this year the FDP may be confronted by a variety of issues, with the elections in Hamburg, Lower Saxony, Hesse and Bavaria whose effects may reach into the Bonn coalition itself, but in Duesseldorf it will not contest them. Since 1980 they have been standing outside the door and that will continue to be the case until 1985 under the 5-year election term in effect in North Rhine-Westphalia. When they gave the FDP only 4.9 percent of the votes in 1980, the voters not only ended a coalition with the SPD which lasted for nearly 14 years but they also catapulted the party out of the last Landtag in which 14 FDP representatives were sitting at the time.

Bitterness and paralysis have spread since. The Land chairman, Hirsch, formerly interior minister in Duesseldorf, went back to the Bundestag. His toppled predecessor, Reimer, for many years minister of economies, also entered the Bonn parliament. The former vice president of the Bundestag, Liselotte Funcke, briefly minister of economics in Duesseldorf, was for a few months the leader of a "parliamentary working group" (PAG) which was, of course, extraparliamentary. Meanwhile the former faction leader in the Landtag has taken over the leadership of this group which is supposed to maintain a certain political continuity in the Land and suggest readiness for action. But Hirsch has reserved nearly all the power as Land chairman and wants to get himself confirmed in March for another two years in the Land chairmanship. Here and there some grumbling in the party has occurred but a silent majority seems to have reached a consensus that the time will not be ripe for new personnel decisions before the end of 1983. At that time the packages of lists for the Bundestag election in 1984, the Landtag election of 1985, the local elections and the European election are to be tied up, and new coalition statements prepared or dropped. Only one thing is now clear, Hirsch will not return once again from federal politics to Land politics. Haggling over other names in his place is a favorite but meaningless game of speculation in Duesseldorf. Some point to Frau Matthaeus, others to Moellemann, still others to PAG spokesman Heinz, the head of the Duesseldorf administration Rohde or the man from Muenster, FDP politician Bornefeld-Ettmann.

PAG spokesman Heinz recently drew up a critical balance sheet of the FDP situation in the Land. He considers that it is in a "publicity vacuum," deplores the dismantling of the party apparatus because of financial need and says his parliamentary working group is "seldom taken seriously" outside the party and is an "unloved child" within the party. Since the power political relationships have been fundamentally altered now the arguments too are changing more and more. Formerly the coalition political harmony between Bonn and Duesseldorf was always declared to be unalterably for the welfare of the citizens, especially of the FDP voters. Now it is said that FDP political activity in the Land should no longer be too largely determined by the situation in Bonn. The FDP should not be so closely tied to the Bonn coalition that no room for maneuver is left for them in Duesseldorf Land politics. In addition the Duesseldorf FDP has growing public image problems. "Virtually every clear FDP criticism of the Rau government is considered downright indecent in the context of the many years of the social-liberal coalition in North Rhine-Westphalia. It is interpreted at the same time as rapprochement and ingratiating with the CDU. On the other hand, however, agreement with the government and the withholding of criticism are seen as a secret continuation of the coalition which was ended."

The FDP concedes that it is suffering under the SPD government chief Rau's policies directed, as they are, at dialogue, compromise and broad middle-class consensus. "It is evident that the minister president's tactics are based on continued presentation of social-liberal policies and thereby keeping the FDP vote potential (in the Land) to a minimum. The goal of these tactics is clear: the FDP should be seen as indispensable." In his appointments policy Rau also gives the FDP virtually nothing to complain of. He left all four FDP state secretaries in the Duesseldorf government in their offices and will also not bow in the future to pressure from his own SPD to find, ultimately, some "sinecures" for his own people. Rau is well aware that the absolute majority achieved in 1980 in Duesseldorf was a result that could hardly be repeated--Koeppler became ill and died, Biedenkopf jumped in, and the CDU was at a loss to do anything positive with their candidate for chancellor, Strauss, that spring. Sooner rather than later Rau and the SPD in North Rhine-Westphalia will again court this FDP. The leader of the opposition Biedenkopf and his Rhine representative at the CDU Land presidium, Worms, have already been doing this quietly for quite some time. Nevertheless at the moment in the case of neither the SPD nor the CDU could one talk of a "wooing" of the extraparlimentary partner. Rau and Biedenkopf would like first to get to know the new formation which will be presented as "the liberals" sometime in 1984 after Hirsch, Riemer and Frau Funcke. There's no rush.

The FDP has meanwhile recognized that it must do something right now in order to placate the frustration of its membership and its voters. All kinds of things are planned: an "employees' congress" in the Ruhr, a publicity campaign under the slogan "Liberal Weeks," a campaign of encouragement "Back to the City Halls" and, of course, tied to all of these, a drive for new members. Officially the only shortage they are not suffering from is a shortage of new programs.

9827

CSO: 3103/236

LEISLER KIEP RESPONDS TO ALLEGATIONS ON FINANCIAL ACTIVITY

Hamburg DIE ZEIT in German 29 Jan 82 p 21

/Interview with Walther Leisler Kiep by Wolfgang Hoffmann, date and place unknown/

/Text/ The allegation of having profited from political office is apt to be fatal to any politician. DER SPIEGEL accuses Walther Leisler Kiep of having intermingled private and public business at a time when he was Lower Saxon finance minister. The CDU's leading candidate for the Hamburg mayoral election comments these allegations.

Kiep on Gradmann and Holler ...

I hold 15 percent of the stock of Gradmann and Holler. For the duration of my membership in the German Bundestag my share of profits has been reduced to 10 percent. Unlike represented in some quarters, the firm is not a small group of people waiting for a handout, it is an enterprise with (now) 370 employees. Many are graduate engineers, insurance actuaries and attorneys.

On the one hand they deal with industry, on the other with insurance companies. Both parties accept us as consultants, but only after realizing over and over again that our work is truly worth the money spent, because they would be hard put to it to assemble the variety of expertise offered by us. That is why firms such as VW or AEG employ brokerage firms such as ours.

... and its Links to VW

From 1949-1975 Gradmann and Holler handled the insurance business of some VW departments, for example fire and transport insurance. We acted as brokers, counseled and did the technical work as well as handling all claims. We were paid the customary brokerage commission for our services.

Subsequently VW decided that the firm would do better to set up its own brokerage. To obtain the necessary know how, VW invited us to purchase a third of the stock. In return we supplied expert knowledge, services and personnel.

Nevertheless this involved a financial loss for us, because we have since held only a third share in VW's total insurance business. Negotiations about participation began in early 1975. They were concluded before I assumed office and then made their way through the formal procedure for approval by the supervisory board. All decisions had been made before anyone could guess that I would join the Land government in February 1976.

Hoffmann: Herr Kiep, you rejected as untrue the allegation of links between your private business interests and your political offices. You stated in particular that you did not handle any private business while in office as Lower Saxon finance minister. Should not a politician be extra careful to separate his office from his private interests? Does he not need to ensure that nobody close to him embarks on activities which might be harmful?

Kiep: As a politician in public office it is obviously necessary to keep aloof from any direct or indirect activities that might in any way affect personal business, especially effects which could be interpreted as favoring his own firm. In addition to his own restraint he must also take care that the same restraint is exercised by anyone close to him. I have done that always during my 5 years as minister in Hanover, in fact very extensively and from the very beginning.

When I accepted the ministry, an offer which surprised me, I presented the Land government and, above all, the Land assembly president, with a complete list of all my private business operations as well as a record of my total financial situation. That included not only property and income but also--and very particularly--my investments in the Gradmann and Holler insurance agency.

The report also included that firm's links with companies domiciled in Lower Saxony and which might possibly involve the public interest. That meant primarily VW. The list was compiled by an accredited auditor. The Land assembly president got it with my explicit permission to show it, without further consulting me, to anyone wishing for information about my personal wealth and past business links.

It has therefore always been possible to obtain full information. As far as I know nobody made an attempt to gain such insight in all the 5 years I was in the glare of publicity as finance minister.

Hoffmann: Your firm's links with VW are of long standing?

Kiep: They existed long before I joined the Land government, actually from 1949 on. I made a special point of this in the data I presented to the assembly president, because I knew that the Lower Saxon finance minister is automatically represented on the supervisory board of that corporation, just as--by law--he is a member of the supervisory board of the Norddeutsche Landesbank.

Hoffmann: You say that your links with the van Delden group also existed long before. Is there not a danger anyway that the finance minister might experience a conflict of interests when compelled by his office to contemplate the reconstruction of a firm with which his own company maintains business relations? Should he not in such a case need to say that someone else ought to handle the matter?

Kiep: Let me say this: The decision to extend a Land guarantee--for reconstruction, for example--is only rarely taken by the cabinet or the finance minister. That decision is up to the Land credit committee, and the finance minister is not personally represented on that body. Only when the Land credit committee is unable to agree or its decision unacceptable to the cabinet or its ministers, another type of decisionmaking takes over. In the case of the guarantee for the Delden group the credit committee made the decision, and it did so on its own. That decision was duly carried out. Shortly afterward there was, admittedly, another application from the group for additional guarantees. Delicate negotiations ensued, and these in fact went beyond the Land credit committee. I was a party to these negotiations. The application was rejected, and the opposition in the assembly took us sharply to task for our decision. Shortly thereafter the North Rhine-Westphalian Land government gave the group the desired guarantee. I think this shows quite clearly what actually happened.

Hoffmann: Let us assume--theoretically--that the business links between the Delden group and your firm had grown stronger after the first guarantee. Could that not have been a reason for you to tell your people: Let it alone, cancel it. I do not want anything that...

Kiep: After all, I had nothing more to do with the firm. I retired from it the moment I accepted public office. I no longer had any management functions and was merely a limited partner. My earlier status, comparable to that of a board member, was reduced to that of an ordinary stockholder. I therefore had no more decision-making rights nor any decisionmaking obligations. While I held office for 5 years my financial situation was affected accordingly, because I was no longer either a manager nor a personally liable partner. My ministerial office had priority. Incidentally, due to the fact that I kept my holding in the firm, I appointed a trustee to represent my stock at annual general meetings. All this was done to make sure that no possible conflict of interest could arise, and in fact none did arise.

Hoffmann: Would it have been asking too much for you to sell your holding in the firm?

Kiep: That surely is an extreme demand. It might result in independent entrepreneurs being altogether unwilling to enter politics. To give up one's livelihood would merely strengthen a trend--much deplored as it is--for fewer and fewer self-employed and entrepreneurs to enter parliament or government, whether at Land or federal level.

Hoffmann: Still, should not one act on principle--for example in the case of VW? Should politicians really sit on the supervisory board of companies? There must be other possibilities...

Kiep: That suggestion certainly merits consideration. I would like to offer two comments. One is a proposal to appoint far more people with technical expertise to the board of publicly owned companies. This includes not only civil servants and politicians but also entrepreneurs who have proven their worth in competitive business. I have followed that principle with regard to the Norddeutsche Landesbank.

My predecessors were largely represented by civil servants on that board, some of them deputed even from the ministry of education. I gradually appointed business people to the supervisory board and think that this was a useful procedure.

My second point is this: Traditionally the finance minister sits on the supervisory board of a firm like VW. At the same time he is the supreme controller of the Land financial authority and, consequently, all tax matters concerning the firm of which he is a supervisory board member. We might ask whether that is a sound tradition. I am open to argument at all times.

There is yet another aspect. It would be useful altogether to limit supervisory board memberships held by any one individual. Such an office involves a great deal of time, especially in the case of large companies and in difficult economic conditions. We should further limit the numbers of appointments held by any one individual and organize remuneration so as to offer the supervisory board a good deal of independence. In that case no appointee would be dependent on outside earnings.

Hoffmann: Let us return to your case. You said that you are open to argument regarding the question whether it is a sound tradition for the finance minister to be a supervisory board member of VW. With hindsight, would it not have been advisable for you not to have accepted the job in the first place?

Kiep: I would not say so. Lower Saxony holds 20 percent of VW stock. Its representative on the supervisory board is traditionally charged with making sure that specifically Lower Saxon concerns--job maintenance, retention of the corporate head office in Lower Saxony, sustaining VW as the biggest taxpayer in the Land--are safeguarded, obviously in tandem with the observance of overall corporate interests. Relinquishing this job would have been impracticable from the political aspect--at least it would have met with considerable resistance.

Hoffmann: Upon leaving the Land government did you submit to the assembly president a new record showing whether your wealth either increased or declined to an unusual extent during your service as Lower Saxon finance minister from 1976 to 1980?

Kiep: I promised him a final report. He will get it too. He has not got it yet because my 1980 tax declaration has not been returned. As soon as it is, the Lower Saxon assembly president will get his report, and this will show how my financial situation changed from 1976-1980.

Hoffmann: Will you do the same in Hamburg--possibly before the election?

Kiep: I had intended to do so in any case on election day. I see no reason not to do it earlier and will in the near future hand the report and the status as of 1 January 1982 to the president of the Hamburg assembly.

Hoffmann: Is it not possible for the "Kiep case" (which, according to you, is no case at all) nevertheless to damage your prospects in Hamburg, and have you thought of the potential consequences?

Kiep: I will continue with my election campaign exactly as intended. I will answer everybody who wants to know, reply to those questions that are merely an attempt to besmirch my reputation. I am confident that those people who will listen to me, will return home convinced that someone talked to them, who is not conscious of any personal or official misbehavior. I believe that the voters have a well developed sense of fairness. I am therefore quite determined to be elected in Hamburg on 6 June next.

Hoffmann: There is also the affair of the disputed practices in the procurement of party donations--another burden.

Kiep: I can merely reiterate my earlier statements. I have nothing to reproach myself for, on the contrary. I am able to point out that I have been the only party politician who initially made the effort to illuminate the gray zones and dubious legal status of these matters. I was the one to approach the Federal Constitutional Court and ask it to settle the problem. I was also the one who then punctiliously followed the decisions of the court. For my party this meant that it could obtain money for the difficult 1980 election campaign only in a manner above any legal doubt whatever and fully meeting the criteria of the Karlsruhe verdict.

Hoffmann: That means you have been clean since 1980...

Kiep: Since 1979, ever since the verdict. At the same time let me remind you that nothing that happened at the Union before 1979 was found to be either legally or judicially inadmissible, in other words a question of interpretation.

Hoffmann: And what about that signature writing machine and the suggestion that the machine signed the name Kiep without your knowledge?

Kiep: My agent made the appropriate statement on his own responsibility. Evidently that statement was misunderstood. To make the matter perfectly clear: Of course the person whose signature is used, in this case I, holds responsibility for everything signed by a signature writing machine. No attempt has ever been made to shift responsibility to anybody else. Incidentally, the use of such a machine is quite customary in business as well as political parties.

11698

CSO: 3103/268

COMMENTARY ON POSTPONEMENT OF NATO BASES ISSUE

Athens I KATHIMERINI in Greek 24-25 Jan 82 pp 1, 9

/Article by Nikos Emm. Simos: "Mr Papandreou Now Seeks Postponement of NATO Bases Issue"/

/Text/ The government is seeking postponement of foreign policy issues, but this only prolongs the suspension of these issues. This was the conclusion of reliable diplomatic circles, taking into consideration both the PASOK government's decision to put off --at least for 2-3 months-- the beginning of negotiations for the operation of American bases in our country, as well as the "standstill" of talks with NATO concerning the definitive definition of limits of responsibility of the Larissa command now being set up.

On the issue of the American bases, these same circles noted, the postponement is attributed to the government's attempt to formulate in this manner Greek proposals to the American side, in a way that "their realism" will not leave the government exposed to public opinion to which Mr Papandreou had bound himself by supporting extreme positions before the elections. It is specifically being maintained that the government is finally seriously taking into consideration the creation of "hot" conditions over the broader area of the Middle East, the American and more generally western interests in this area (note that Mr Papandreou admitted them in interviews to justify a change in his positions), the tensions between the two blocs because of Poland, but also the concrete reminder over the past few weeks from an allied element concerning Turkey that the southeastern corner of the western defense alliance could become based on the military might of this neighbor and on its advantageous geographic position. The government realizes that the verbal extremes which aimed at undermining ND's foreign policy in the eyes of public opinion, for electoral gain, would have proven not only dangerous but also against national interests.

Common Agreement

At the same time, it is being maintained that the postponement of talks with the Americans for a few more months seems to be sought because it is hoped that by that time, if internal conditions improve and thus eliminate one or two of the above-mentioned factors that now influence the government's policy, the United States would become more flexible and the Greek stance on certain points of the negotiations would be less compromising.

On the other hand, the position of the American factor, that is favored by the extension of the 1953 status which administers the bases, appears to favor Greek dilatoriness. Perhaps besides this American self-interest, equally substantial reasons that are linked to Greek demands are encouraging American obstructionism. In other words, the United States, independent of the pressures it is exerting, is seeking a formula that would possibly satisfy the Greeks in their demand for securing their eastern frontiers, without at the same time displeasing the Turks, with regard to lowering tensions in the region and to reestablishing, even as a matter of form, the cohesion of the alliance.

An additional reason for the American desire to postpone negotiations is that the United States is waiting to observe developments in Greek-Turkish relations on which their proposals will accordingly be influenced as well as on what they would be disposed to give the Greeks. An unfavorable development in these relations would, they believe, make our country more demanding --and rightly so.

End of 1982

With these estimates of the two sides in mind, it should not be deemed improbable that the basic negotiations on the bases will be postponed until the end of 1982 or the beginning of next year. The reason for this is that the new Greek government intends --before the solution of the pending issue comes into the basic dialogue phase-- to promote contacts on the technocrat level. These contacts would formulate a broad framework of general principles which would govern the agreement on the operation of the bases and would facilitate the later detailed examination of the technical issues of the text to be signed.

However, even more indefinite, according to the estimates of these same diplomatic circles, is the definitive determination of the limits of responsibility of the NATO command being established in Larissa. To such a point, in fact, that the opinion has been expressed that it is even possible that this command might in the final analysis not be established.

Beyond the pendency of these limits --being protracted by Turkish interference in various organs of the alliance-- is also the Greek-NATO disagreement on the interpretation of the content of the Rogers Agreement with which our country was recruited into the military arm of the Atlantic Alliance.

Nevertheless, this pendency does not appear at this time to be damaging to Greek interests. This is because, with the exception of the Turkish attempts to concretely contest the limits of Greek responsibility, basically the Atlantic Alliance, despite the objections in expresses --under Turkish pressures-- on Greek-NATO talks, silently acknowledges that Greek forces are maintaining their responsibilities they had even before the withdrawal of our country from the Atlantic Alliance. Moreover, the government is interpreting the presence of the Turkish gunboat in Greek territory in this sense, considering that its mission did not involve an "operational control" issue.

5671

CSO: 4621/156

PARTY-GOVERNMENT RELATIONS IN NEED OF CLARIFICATION

Athens EPIKAIRA in Greek No 703, 27 Jan 82 p 19

/Editorial: "Government-PASOK...in Juxtaposition"/

/Text/ The first post-election congress of the PASOK central committee is considered as being critical from all standpoints. It is expected that at this congress the party and government authority of party supporters will be clarified.

Information that has leaked out of the congress speak of a clean up of controls within the governmental apparatus and a clarification of the role of the party in both the drafting and implementation of the government's policy.

In other words, this issue relates to an attempt to validate collective rule in each ministry, that Mr A. Papandreou had announced, with the participation of the minister, deputy minister, secretary general and the official for each ministerial secretary of the KTE /Parliamentary Work Sector/.

The central committee intends to methodize the functioning of this 4-man unit which will meet once a week to decide on pending issues of each ministry. The central committee also anticipates determining the formality of compulsory cooperation of party supporters who are engaged in government work with party branch organizations and nomarchial committees. The PASOK central committee finally intends to clearly determine that each minister have responsibility for his ministry only and not exclusive competence in drafting and implementing of concrete policy which will be drawn up and supervised collectively.

It is evident that this entire process intends to validate and impose participation of extra-governmental elements in government work. And to the extent this process is correspondingly "given legal force," it is expected that reaction from the opposition will be registered. As EPIKAIRA wrote a few weeks ago, the opposition considers "collective leadership" as being anticonstitutional.

At any rate, it seems that Mr Papandreou prefers confronting the opposition's fire rather than leaving the current ambiguous situation drag on, a situation that creates insurmountable problems in intra-governmental relations. These problems have developed because of "abuse of power" either by ministers or other government officials who deny any "cooperation" whatsoever with party elements which exercise government authority, bypassing the competent ministers.

Therefore, once again the order has gone out "right now" for a clarification of the situation. Finally, the harmonization of party-government relations that the central committee will undertake is considered as an indispensable prerequisite for Mr Papandreou to move forward toward the first reshuffle.

5671

CSO: 4621/156

INTERNAL DIFFICULTIES, SUCCESSION PROBLEMS BEDEVIL ND

Athens TO VIMA in Greek 17 Jan 82 p 5

/Article by special correspondent: " 'Succession' Problem and Ideological Contradictions Still Bedevil ND" /

/Excerpts/ "Succession problems" continue to bedevil ND, to such an extent that certain of its cadres are already expressing the opinion that "it is doubtful that we will bring about the destruction of PASOK from the exercise of power." This despite the fact that the Averof leadership is not being questioned (at least openly) by the other side, while some cliques are noticeable, some "secret meetings" become known every now and then, and some "movements" or "thoughts" were recently made publicly known by a section of the press that supports (?) ND.

At any rate, ND today has, in comparison to the other parties, the majority of the problems.

It has, first of all, most acute financial problems, since those handling the "pre-election appropriations left empty treasuries and debts of millions of drachmas.

It has organizational problems that are not new, but with the "transposition" of ND into the opposition now, these problems are more acute.

It has some ideological problems, as certain individuals "whisper" that "we are too far to the Right," while others watch those "whisperers" with a rather threatening glance.

It has "personnel" problems since it is a very well-known fact that a few of its cadres are associating, by chance, with members of the present government, much more easily than members of the previous government (i.e. their colleagues) could have done.

Finally, it has a most acute renovation problem --perhaps the most significant of all since it appears that it is coming from "below," i.e. that it is a demand of the ND popular base.

With such a succession, the situation does not appear rosy even though some may maintain that now Mr Averof has succeeded in getting together the money needed to pay off ND's debts and to meet its expenditures for the current year.

Committees and Individuals

As has already been noted, financial problems are, of course, not the only problems that ND is being faced with. Among the others are its organizational problem that has several aspects:

On the one hand, there is a permanent "dispute" within the nomarchial committees (and other local committees) and among most of the ND deputies. The deputies want to control the committees, while the committees want to control the deputies --in fact, recalling PASOK's example where "the organization plays the primary role."

On the other hand, the deputies appear to decline discussing something like that, and they have exerted great pressure on Mr Averof to abolish the committees and to reorganize them (according to the views and desires of the deputies.)

Beyond the problems that exist at this point (with the dispute between cadres and deputies that nothing shows that it will come to an end), there is, of course, need for a reorganization of the entire apparatus: a party that is in the opposition functions differently from a party that is in the government. Of course, ND does not know "the job" of the opposition and it must start practically from scratch in the matter of its organization.

The succession or new-born organizational problems of ND are not the most dangerous. The greatest dangers for its unity and future seem to be those related to its ideological identity and the personal differences and disputes of its cadres --on a "second-in-command level."

The Ideological Picture

It is a well-known fact that even before Mr K. Karamanlis withdrew from ND, there were certain people who maintained that there were two ideological tendencies: one tending to the Center and one a dogmatic Right. Helping in the creation of this picture of the existence of two such tendencies is said to be the founder of ND himself, while certain individuals attribute to him the role of "political stage manager," namely: on his instructions, Mr Averof appeared as an authentic spokesman of the Right, while Mr G. Rallis as tending to the Center.

At any rate, such an atmosphere had been created on the eve of the election of the "successor" to Mr Karamanlis (in ND, because Mr Karamanlis' successor in the political life of the country was Another..) (The fact that, in reality, personal ambitions and strange coalitions and the rallying together of individuals and interests around Mr Rallis or Mr Averof brought about the May 1980 reevaluation is a topic of history which assuredly will be revealed at some time in the future and will be written about --in detail.)

After that reevaluation occurred what exactly all cool observers had anticipated. If Mr Averof had been elected then, since the impression had been created that he was a "pure rightist," he would have had "to make openings to the Center" in order to attract voters from there since the rightists had to be considered as a given factor. Mr Rallis should have done the opposite --and that happened. During the pre-election period, the ND leader of that time made the well-known opening to the extreme Right. The pre-election fever of that period and the shock from the electoral defeat did not leave margins for criticism for this "opening" of Mr Rallis who, one could have expected, should have been criticized by individuals of opposite views (as Mr Giannis Boutos) who had taken the leading part for his (Mr Rallis') election as head of ND in May 1980.

Finally, the fall of Mr Rallis changed the scenario and in a way "confused" matters even more. Claiming the leadership of ND, Mr Averof had the apparent support of family name deputies who had gone over to ND from the Center to which they had belonged up to the 1977 elections. In fact, people of this category had signed the petition for his candidacy.

And later on, in his declarations after his election as leader and generally in the policy being followed since then by Mr Averof, he does not appear (as a few said would happen) as a fanatical rightist or extreme rightist. To the contrary, he appears so mild and moderate as to be in a way a "post-election surprise."

The line being followed by Mr Averof does not evidently leave many margins to others for the creation of new ideological goals (?) or for disputes.

If at this time there is an ideological "revamping" in the ranks of ND, this is due to the fact that all the so-called new candidates for the succession are using "ideology" as a weapon of one against the other. Without anyone being able to dispute fully the existence of ideological differences, still one can easily distinguish two points: one is that often personal feelings (more specifically, passions) lay hidden behind ideological differences. The other is that quite a few people prejudice one or the other ideological position and they support it as necessary for some future electoral victory--i.e. they want ideology as a "tool" to be used to once again open the door to power and not because "they are fascinated" or moved ideologically.

Thus, "ideological reevaluation: becomes in the final analysis one more link for the development of the battle of the new candidates for the succession who have become so numerous that their names can be mentioned only nominally. And, of course, two factors "feed" their "dispute:"

The first is that everyone knows that at some point in the future, the issue of a successor to Mr Averof will come up--even in case the ND, under his leadership,

were to win the next elections: who would, in such a case, be the number two man in an Averof government?

The second is that now all the manifest and hidden new candidates for the succession appear "to have learned the lesson:" the leader is chosen by the deputies in accordance with the personal preferences, impulses and ambitions. Consequently, anyone interested in leadership must "work" in the ranks of the parliamentary group. And the one who works better could surprise all the others, when the deputies are called on to choose..

With these facts in mind, the recent rumors about movements and the rallying together of deputies around one or another individual can easily be explained. Moreover, there are so many of those who are moving for the signing of "mortgages" that, theoretically at least, ND could be split up into....dozens of parties.

All of these matters must be taken into consideration with "the given desire" of the ND popular base for a change in faces. There are many aspects to this issue.

With such movements, the problem of change in ND assumes special meaning --that is characterized by two factors, one theoretical, one practical.

The theoretical factor is the one that maintains that the electoral result was foremost and essentially a disavowal of the members of the ND government.

The practical factor is that --as is being said-- the new deputies are rallying together against the former ministers (perhaps not against all but against most, and rather against those who are more well-known to the public.)

....Consequently, surprises should not be unexpected.

5671

CSO: 4621/156

REJECTION OF NATO, EEC, TOTAL RELIANCE ON ARABS SEEN HARMFUL

Athens VIOMIKHANIKI EPITHEORISIS in Greek No 566, Dec 81 pp 29-30

/Text/ We will avoid extensive comments on the foreign policy which seems (according to the initial "samples") to be applied by the new government. First, because it is too early to make an assessment of the intentions, directions, objectives and actions on an informed basis. Second, because in the critical, delicate phase in which many of our national issues are found, the expression of praise or rejection serves no purpose, while it may even be harmful.

We will limit ourselves, therefore, to certain general views mainly with reference to our relations with the EEC and NATO. We are among those who believe that our continuing participation in these two international organizations of the western world is a national necessity--not a necessary evil, but a necessary good of vital importance. At the same time, however, we believe--and we have stated repeatedly--that our participation in the EEC and NATO must not be passive. Instead it must be guided by a constant effort to improve the related terms, better serve our interests and secure additional advantages for our country. This calls for a constant struggle combining dynamism with a flexible, realistic and intelligent diplomacy. In this sense we hope that A. Papandreu will have revised his old "theses" when he was in the opposition, about withdrawing from EEC and NATO. And we further wish that he would utilize his charisma, intelligence and dynamism in handling the current national issues. We have no way of knowing how successful were the first contacts, discussions and sparring between the government and our NATO allies, or whether they were successful or productive. In any event, this is the beginning of an uphill road with many twists and turns.

However, generally speaking--and to the extent the information is accurate--the bold presentation of the premier of views related to inalienable national sovereign rights and basic economic interests of our country is a "good omen." But we fear we cannot say the same about the handling and presentation of these first "skirmishes." The handling reveals an excessive emphasis on an inflexible, impressive dynamism, devoid of realism and diplomatic acumen, while the presentation of the res... reveals a naivete, an impetuous (and slippery) euphoria, a pompous self-admiration, a dangerous tendency to manufacture great deeds and triumphs instead of understanding the problems on the part of the government and its minions.

It may be that the observation of E. Averof, the new opposition leader, that the "government makes foreign policy with domestic criteria," is a little excessive. But we fear that it is not too far from reality. We hope, of course, to be wrong. Time will tell.

A general note on our foreign policy. It would be illogical to expect that what--according to Papandreu--the participation in the western alliance does not give us, we will obtain with our withdrawal, or that the total alignment with the Arab world (so divided and unstable) of a Greece estranged from the West will strengthen our economic-political position, will offer a guarantee against the many-sided national dangers and will solve our problems. The keeping and cultivating of close, friendly relations with the Arabs is useful and necessary. But the one-sided, one-dimensional, complete "identification" with them (or with anybody else) would be simply a colossal national mistake.

7520

CSO: 4621/165

REAL PAPANDREOU GOALS REPORTEDLY OBSCURE

Athens EPIKAIIRA in Greek No 702, 28 Jan 82 pp 23-25

[Text] "He is the best anti-communist ally the communist countries could have inside the West," a diplomat from a Balkan country said recently in Athens about [Papandreou]. Papandreou's detractors consider him the founder of "Byzantine socialism" which is neither Scandinavian, nor Mitterand-like, nor Qaddafi-like, nor Che Guevara-like. In other words, it is a socialism "a la Greka" which nobody can understand.

PASOK's stand on the question of Poland resembles that of the pro-Soviet Communist Party. But Papandreou does not seem to be upset. Faithful to the picture he presented during the campaign as an enemy of the conservative Right, with the anti-western slogans broadcast over TV in a well-orchestrated presentation, he leaves his followers in a state of ecstasy. But in reality Papandreou has not taken any of the steps which the western allies feared. He limited himself to raising the "veto," "holding" his position without disagreeing with the decisions of the European partners and leaving on paper the "process for detaching Greece from NATO" which he had announced in early December with the encouragement of the Soviet Union.

The premier's followers claim that his position in the international arena is part of a deliberate plan designed to give the country a position of strength for the talks with the U.S. on the bases next month.

Papandreou, his closest associates say, studied and taught for a long time in the United States. He knows how to deal with the Americans and he hopes that by pushing things he has nothing to lose and that he will secure the best results on the problem that is actually the most pressing, namely, the disputes with Turkey over Cyprus and the Aegean. To achieve his objectives, Papandreou needs to be surrounded by "trustworthy friends"—"Comrades" Craxi, Jospin and Soares abroad and a domestic army of faithful party followers who will have taken over key posts at all levels of the state machinery with a dexterity the opposition considers "full of audacity and despotism."

"Inside the party the resentment is increasing," according to a Foreign Affairs Ministry official speaking on "Panorama." "The dismissal of Asimakis Fotilas is the first sign of the dispute between the moderate and the extreme wing of pro-Marxists and pro-Arabs."

An example of this group in PASOK is Deputy Foreign Minister Karolos Papoulias who for years has been in close contact with the socialist countries, the Libyans and the Palestinians.

Andreas Papandreou is therefore surrounded by those who supported him before and after the election in the name of anti-Americanism. The real target, however, remains unknown. Maybe Papandreou's strengths, especially abroad, creates doubts in friends and foes.

7520

CSO: 4621/178

CONFLICTING INTERPRETATIONS GIVEN TO PAPANDREOU SPEECH

Athens EPIKAIIRA in Greek No 705, 10 Feb 82 pp 22-23

[Excerpt] The speeches and the views in general of A. Papandreou have an unquestionable "quality," a "retired" political leader has said. They can be given contradictory or conflicting interpretations. The conservative voter will find some reassuring morsels to reassure his worries concerning PASOK's intentions. The left-wing followers of the movement, on the other hand, will easily find elements to draw the conclusion that Papandreou's initial and extreme positions remain "firm and immovable."

Possibly more than ever before, this observation is justified by the content of the speech given last Sunday by the PASOK chairman at the "Sporting" ballpark, and by the reactions it provoked.

First of all, the target and the holding of the assemblage was a significant political event. It aimed at clarifying and defining the relations between government and party. This was interpreted by the opposition as an indirect admission of the extensive intervention of the party in all sectors of the state machinery with the ultimate objective being the establishment of a one-party state.

On the other hand, PASOK's moderate wing interpreted Papandreou's initiative as a reaffirmation of the "revisionist shift" attempted by the premier and as a first step to putting into effect his declaration that every change will be done with the will and approval of the popular majority since today's government is the "government of all Greeks."

At first sight, the organization alone of the gathering which had as its theme "taming the activities of the party machinery"--to quote press reports--could be taken as a reassuring event. Indeed this is how many government officials saw the gathering. To a large extent, the effort to reduce the partisan interference with the state machinery is a result of their pressures. The gathering caused a similar reaction in a large number of PASOK voters who are treated as a "foreign body" by the organized partisan core.

Reviewing the "Sporting" gathering from the party's point of view, there is no doubt that the PASOK chairman was forced to intervene, not to improve or beautify the situation, but to prevent its getting worse.

PASOK's Assessments

It was an open secret that the activity of the "partisans" from a moving force for PASOK when it was in the opposition had become a drawback and an obstacle to the governmental activity after it came to power.

From the first few weeks Papandreou found out that the obvious malfunctioning of the governmental machinery was due to confusion--if not conflict--of authority and power between party and state officials. The manning of the state machinery mostly with technocrats, administrators and professionals, many of whom had been invited from abroad to serve the "cause of Change," intensified the anomaly. This was because the partisan core of the movement viewed with hostile suspicion all those "strangers." In turn, these "strangers" instead of proving to be "cooperative" and "docile" to partisan interference, rejected any cooperation or joint authority with the "branch organizations" of PASOK. As a matter of fact, some of them reacted aggressively, informing the premier that giving up a successful career abroad to accept an uncertain post in Greece was "a sacrifice for the party and not a favor from the party to them." Similar but milder and more methodical was the reaction of certain officials who had distinguished themselves in the parliamentary struggles and who had been honored with a large majority of personal preference votes in the last election. These officials accepted this partisan interference in their sector stoically at first and with some ulterior motives. Showing every intention of cooperating with the "branch organizations" and the various "commissars," they contributed--willingly and unwillingly--to a "preposterous confusion" only to show in the end the "destructive consequences" of these interventions into their task.

At the same time, these same officials drew Papandreou's attention to the "terrible" consequences resulting from these arbitrary actions and abuses of power on the part of the "green guards" [green is PASOK's official color]. More specifically, they told PASOK's chairman that the extremism and excesses of the hard-liners tend to alienate the mass of voters who supported PASOK in the recent election and in any event work against the effort to incorporate ideologically and politically those voters into the party. Moreover, they emphasized that the activities of the "green guards" undermine every effort to reassure those forces that could oppose and undermine the "Changes" especially now--in the critical phase--as it goes through the initial steps.

Sheep and Goats

Those who worked together to [convince] Papandreou to undertake the separation of the sheep from the goats are optimistic that the "Sporting" gathering is the beginning for "cleaning up" the relations between party and government. Of course they consider this cleaning up as their victory which will lead to the isolation and neutralization of the hard-liners. They wave like a victorious banner the premier's phrase: "No intervention in the work of the government to impose views or choices directly from the organization in conflict with the government's daily tasks." Against the demands of the party's "branch organizations" they use Papandreou's statement: "In the eyes of the government, the cadres, members, friends and followers of PASOK are ordinary Greek citizens without special privileges."

The disquieting element in the eyes of the so-called "moderates" is that the "hard-liners" invoke other quotes from the same speech to contradict the above assessments and conclusions. Among Papandreou's "no's" against the partisan intervention in the state machinery we find this: "No to the cut off of the organization from the daily struggle and the governmental planning." There is also another phrase: "Our movement is a privileged area joining together the governmental thinking on one side with the popular daily activity on the other. We cannot and should not separate the governmental actions from the presence and the struggle of PASOK everyday in the social sectors. These two aspects help each other and form expressions of a multi-sided struggle from different ramparts."

Beyond all this, the hard-liners have every reason to interpret as a tactical maneuver these "interdictions" imposed by Papandreou and consider them as temporary and expedient until "the Change takes root." In any event, they say, the premier many times in the past has distinguished between tactical and strategic goals of the movement in the sense that the former require flexibility, realism and adjustability, so that the "Change" can move on to the strategic goals which remain "firm and unchangeable."

In the same way of thinking they explain the "concessions" to the moderates whose role and participation in the present government are considered to be a "temporary situation" until PASOK acquires the necessary strongholds in all the mechanisms and consolidates itself in power.

"Comrades"

It is evident that the differences between the two interpretations of the "Sporting" gathering correspond to the opposing needs for inter-party and external consumption. Inside "Sporting" the salutation "Comrades" sounded absolutely natural and caused great enthusiasm while, on the contrary, its broadcast on TV's first news program caused a very negative reaction among the large mass of PASOK voters who seem to prefer Papandreou's pre-election salutation "Greek men and women."

As long as PASOK's chairman is obligated to resort to using a "forked tongue" to communicate with his cadres and the popular base, the real objective of the "Sporting" gathering will remain unclear. Because, as a leading member of the opposition said somewhat sarcastically, "it is not enough to separate the sheep from the goats; it is necessary to clarify which group reflects the good or evil spirit of PASOK."

In the area of New Democracy, the reactions are summed up in Averof's statement which refused to recognize any sincerity in Papandreou's alleged intention to separate the party from the government. Under these conditions, ND says, "the speech at Sporting cannot eliminate the actions of the government." It is added that Papandreou simply found out that the intensive rhythm of placing the state under partisan control and the arbitrary actions of the branch organizations has already caused dangerous reactions in the popular base and conflicts within the party centering on the overlapping of powers between party and government officials.

7520
C X: 14621/178

PCI'S INGRAO, LEDDA, TRIVELLI ON PARTY THEORY, POLICY

Roots of Our 'Third Way'

Venice L'UNITA in Italian 24 Jan 82 pp 6,7

[Article by Pietro Ingrao]

[Text] Our Party's historical uniqueness lies in its having built its strategy on the foundations of the requisites of democracy. To develop that strategy consistently, as we have done in response to events in Poland, is the very reverse of a break with our heritage. We are in the mainstream of Italian communism's true tradition.

It is altogether fitting and proper for us to underscore the major innovations implicit in the position our Party has taken in response to events in Poland. Were we to pass lightly over these innovations we should be withholding some of the truth. We should not be closing ranks -- much less carrying the initiative onto new grounds, the very same grounds upon which we must perforce move.

But are we therefore engaged in a turnaround, a "break" with the tradition of the Italian Communist Party?

Before we answer that, we must define what we mean by "tradition." I do not believe that the tradition of a political organization fighting to transform society can be viewed as a straight line. There are indeed times of rapid innovation, but they have been interspersed with halts and retreats. What counts is the force that shapes the Party's will, determines its historic function, and thereby makes it unique.

It would be foolish to hide the deep mark its bond with the USSR has left on the Italian Communist Party, or what impact the very image of a leader like Stalin had on the feelings and ideas of so many of us. All that is part of the record. I do not in the least subscribe, though, to the notion that our Party's historical motivation, its *raison d'etre*, and hence its true, deep-rooted "tradition," can be boiled down to its ties with the USSR -- much less the USSR as Stalin's regime shaped and molded it. On the contrary: I seriously fear that any

trivialization of our history would not only blur its features, but would in the long run lend credence to the argument of those of our adversaries who charge that Italian communists are "the hand of Moscow," and who claim to see in that bond the source of our strength and our growth. Or the argument of yet others who come to tell us it has all been a regrettable mistake, so we must change our minds, get back into line, and be like the other parties.

Not even the history of the Third Internationale, in my view, can be distilled down to Stalin and the Stalinist model. That was a tragic story, one in which at various times and in various periods, trends which had nothing in common clashed in bitter conflict. Stalin won each of those conflicts, and did it with terrible weapons. History, though, is not solely the history of the winners. There have been men, groups, and forces that have at one point or another seemed utterly destroyed; and then, years later, their ideas and their experiences rise again, and gain ground. Gramsci in 1936 looked like a loser, a man completely wiped out. Today, though, Gramsci speaks, even to lands far distant from Italy.

Tell me: why in the world ought we to see the heritage of the October Revolution embodied today in Jaruzelski's regime? October of 1917 was born with a different face: its features were the soviets, the workers' and peasants' councils, the soldiers. Bodies aspiring to be the proof, the symbols of "direct government" by the exploited classes, which were doing away with delegation of power and aiming at nothing less than direct management of production and of the state by the masses. The exact reverse of a superimposed government forced upon the working class by force of arms. October 1971 brought an armed revolution, true: but it gave the arms to the masses: it placed the generals under the political control of the workers' and soldiers' councils.

Utopia? One brief season? If you will. But that was the image with which the October Revolution spoke to the world, stirred millions of men, and offered itself as a model for universal change. The hope it awakened was not only hope for the abolition of economic exploitation and a beginning of a new equality, but hope for participation by those who did the producing in the direction of the state and of the economy.

That is how it was perceived in Italy by the vanguard of "Ordine Nuovo" [New Order], which became the leadership of the Italian Communist Party. "Doing what they are doing in Russia" was to Gramsci looking for what was or might become the specific germ of a councilist movement in Italy, of a state made up of such councils. He perceived the motivation for the Italian revolution in the capacity of the worker in a large modern factory to direct and reorganize production, to rise to that role, to establish in the name of that position an alliance with the crucial forces of the intelligentsia and with the southern and peasant worlds.

We learned from Gramsci's own pages about the shortcomings and errors of the council movement in Turin. But the Italian communist "tradition," the characteristics that inspired the newness and uniqueness of Italian communism by comparison with the Socialist Party and the labor

movement as they were then, were to bloom from that rotstock. From it sprang the strategy that gave national scope and motivation to the working-class battle, that saw the workers as protagonists in a reorganization of the entire production system which would be the foundation for a new power bloc on the stage of history. It is no mere coincidence that every line of the "Prison Notebooks" turns on those themes. Gramsci was writing inside prison walls. His "Notebooks" were not published or read until after the fall of fascism. There were also painful moments of divergence and even disagreement between the imprisoned Gramsci and the Communist Party. And yet, however did it happen during the bleak and desolate years from 1926 to 1936 -- amid the bitter struggles that shook the Communist Internationale and saw Stalin crush all who dared oppose him -- however did it come about that the Italian communist leadership group, though deprived of its chief, stalwartly held out against Stalin's pressure, and strove always to push toward a renewal of closer ties with the socialist forces, sought and spoke out on behalf of forms of worker and citizen government different from the "dictatorship of the proletariat"? How in the world was it that when the Communist Internationale at its 7th congress shook off the heavy hand of factionalism and launched its grand strategy of people's antifascist fronts, Togliatti was one of the prime movers in the turnaround? There must be some reason why this role and this identity were conferred on the tiny Italian Communist Party, trapped as it was in the torment of fascism, its ranks decimated by its desperate efforts to maintain a presence in the country. Why did we choose to throw in our lot with that side? What were the reasons behind that attitude?

There was the struggle against fascism. Of course: that led to a rediscovery of the value of freedom of speech, of organization, of the vote. But the problem posed was far vaster and far more difficult. The fascist response to the economic crisis in the aftermath of WW I and to the catastrophic depression of 1929 had more to it than the repression of liberties: it moved to financial and industrial restructuring, changed the relation between the state and the economy, and altered the makeup of classes and of mass organizations. In the face of these changes, what ought the strategy and position of the workers' parties to be? That question, which had arisen with the collapse of the assumption that the workers' revolution could be exported from backward Russia to the advanced West, became a burning issue. It concerned the destiny, the future role of all communist parties. The argument over the existence of a multiplicity of roads to socialism and of national paths to that goal exploded later -- in the post-WW II years -- and was snuffed out by Stalin on the pretext of a hardening cold war. It surfaced again in 1956, and was recognized and legitimized at the CPSU's 20th congress. It had, however, already arisen pointedly, in events during the early Thirties; and even then it was dimly visible in the turnaround that had given rise to the people's front policy. The little Italian Communist Party was thrust forward in part by events, but also by its own history, its own specific "tradition," to take that stand and to push in that new direction.

This was why Togliatti experienced and perceived the Spanish war on fascism as an attempt to build a democracy that would slash away the "roots" of fascism. Then came the battle for a system that would be based on the alliance among a plurality of democratic forces and, at the same time, would have the strength to intervene directly in the structures and in the societal foundations of capitalist reaction. The policy statements were timid; sometimes they stood together with others which apparently pointed to a different strategy; they were unprotected against the shocks of Stalinian reversals, denials, and repressions. Yet is there or is there not a thread of a connection between Togliatti's perception of Spain's experience and the anti-fascist unity policy, which was our banner and our cause when the curtain went up on the tragedy of WW II? I think there is. This was where a face, a style, a history all its own re-emerged for the Italian Communist Party. It was with this policy, this face, and this issue that the little handful of Italian communists grew from a defeated vanguard to become a great modern mass party. Where does our "tradition" lie, if not in what has given us this strength, in what has changed our Party's role and status in this country?

It is for these reasons, too, that I do not only not share, but fail to understand attitudes tending to perceive as "softening," almost as a weakness, an apostasy, a shift to the right, the strategy that pairs democracy with socialism, and democratic growth with the building of socialism. Our bonding, through our struggle and our strategy, the advancement of socialism with the struggle for freedom so deeply and enduringly has given strength to us and to the working masses. It has given the role of the working class in this country a new lease on life, after the awful defeat at the hands of fascism in 1922. It has given the Italian working class an active role to play, one that has had an impact on the order of Italy and of Europe since the earthquake of WW II. It has raised the "communist question": the issue of a communist party standing forth in the West as a founding party of the antifascist republic, as protagonist and defender of the republican constitution, as a member of a tight fabric of democratic alliances, which the conservative counterattack has never prevailed against. All this has changed the face of politics in this country. To develop our strategy consistently -- as we have done in response to the dreadful events in Poland -- is the precise reverse of a break with our heritage: it means a return to the sources of our true force, of our own unique persona.

Even the new Party Togliatti advocated in 1944 on his return from exile is tied in with this policy, the policy that welds democracy to socialism. I cannot tell you whether the new party was a "breakaway" or not. Certainly it was a radically different thing from the Stalinist model of the party. It pointed out another approach to understand and to develop political experience and class consciousness. What is the significance of the fact that we have never since then subjected applicants for a Party card to the "ideological" examination? That we invite him in, even though he knows nothing about Marxism? That we have welcomed the Catholic who shared our political program to fight on our side? And that we have even -- and often -- reached out to the

green youth, to the worker just trying his feet in the waters of politics? To the intellectual from a middle-class background, to join with us, to fight shoulder to shoulder with us? It all means a party that wants to grow with the people, among the masses, even in places where class-consciousness is still only the vaguest of stirrings, dimly felt. It means that there is no preannointed vanguard, no "elite" as distinct from the masses. It means that a leader and guide can and must continually adapt to the experiential core of the people and of the working class. It means, finally, summoning the Party to immerse itself constantly in the mainstream of society and of politics, and to be part of that society as it defines, with its organized patterns, the objectives and the phases of the change. We have not catechized our members, but we have asked them to do a lot more than merely registering for a party card: we have asked them for a day-by-day commitment to participate and to fight. Not just with their votes, not just with their consensus, but with genuine participation. This, more than anything else we have done, is what has made us strong.

That means, though, that our true "tradition" is rooted in a thirst for democracy: for mass democracy, for the people organizing by and for themselves, for factory workers and white-collar employees who are determined to count for something, "starting now." Against the expected. Against delegation of power to higher-ups. Against the distance and against the separateness of government.

Has it been hard? Have there been mistakes, contradictions, shortcomings? Yes, there have. But the one trait that expresses our Party, its uniqueness, the innovation it introduces into the Italian labor movement and into its tradition lies in this need for mass democracy, as the pattern and foundation for social change. There is room for argument over how much utopianism and how much shortfall there has been in our demand for some sort of rapport between the day-to-day operations of our representative institutions and participation by the masses. The shortcomings of the plant management councils, like the weaknesses displayed by the "land posses" of the Forties and Fifties, are on the record for all to see. Anyone may analyze the reasons why it took us so long to understand and orient the youth, student, and women's movements, or why we were so half-hearted in our commitment to support the new experiment with plant councils in the second half of the Sixties. But the fact remains that this democratic fabric, so troubled and yet so rich, is the child of an Italy that, with a style all its own, with this ideal tonus, with its gut need for mass democracy, the Italian Communist Party has been at work. Because we did this, Gramsci is not merely a solitary intellectual, nor yet an obscure parenthesis in the life of our Party and of our country.

A journey toward socialism, which counts on so broad and variegated a presence of dynamic forces, cannot be taken under a single banner or within a single political organization. It must involve and recognize a multiplicity of political positions, of cultures, and of mindsets. It demands confrontation, freedom, and risk in creativity and innovation. It must learn to settle conflicts democratically, not to muffle them. Lastly, and above all, it must face the dreadful issues posed

by nuclear weapons; and, every bit as vitally as it needs bread, it needs to struggle against war, to build the patterns, the pace, and the balances for a time of peace.

Here we have had perforce to go beyond even Gramsci's ideas. The capitalist society within which we are fighting has become still more complex. The patterns of productive organization and of social life have grown still more interdependent. Time has ripened needs for emancipation on the part of forces and places different from those in which anticapitalist consciousness emerged in the past. Amid the sweeping changes that began with October of 1917 to put their stamp on our century, there have been revolutions and social advances that have not counted the communist parties as protagonists or as guides. Ought we to have pretended that this was not true, and to preach that the "true" doctrine was in our heads, even where the communists are wrong and where the working class cannot recognize itself in them? Nowhere is it written that the communists will always be in the vanguard of social revolution and progress. They will be there, if they can. More: they will be there if they can understand and encourage what is new and creative flowing from other springs, from other cultures, from other political positions. This is why it seems to me that we were profoundly right in refusing to see the world as divided into two monolithic camps. Such a dichotomy weakens our struggle: it does not strengthen it. We have learned from experience that the spread of class conflict does not simplify society, but complicates it and renders it yet more intricate. Any plan for change, any advance toward socialism must show a capacity for putting this complicated and fragmented society back together again. That is the great quest of our time: that "third way" that is yet to be built.

That quest, though, has not come as a bolt from the blue, nor has it only just now emerged; it is the obverse of a retreat from socialism; it means facing up squarely to the hazardous issue of socialism now. We are not sacrificing our heritage, at all. We are striving to keep it alive. We are striving in full awareness that this is a challenge, an ongoing test. Yes. Not one of us dare longer think that if we can't do it, there are others who want to do it, so let them stand up to the adversary, let them cover our rear.

We fought hard during the Forties and Fifties against the catcalls that mocked us with "Your mustaches ain't big enough!" We have grown to be a great party, partly because we managed to lead the battle against those who would have us wait and accommodate ourselves to the rest. That slogan was wrong at the time: today it is unthinkable, indefensible. This, too, reminds us that the risk inherent in the "third way" to which we are committed is steep and high. Why on earth should such a risk be "less revolutionary?"

Shall we flinch from this challenge, so as not to prove "papa" wrong? Truthfully, I do not admit for a moment that the history of the worker movement can be encapsulated in the simplistic father-and-son image. And in any case, woe betide the father-son relationship that consists

of mere obedience and imitation. There you have life grinding to a halt. There you have proof that the father is either sterile or an overbearing, life-denying bully.

So let us reason together. With mutual respect. Without fear of disagreement. Respecting dissent, though (and I am one who has frequently called for it) means arguing clearly, lucidly, and on the issues. Not merely dotting the i and crossing the t, but truly understanding what has to be done. There is a lot of it.

Will Not Think in Blocs

Venice L'UNITA in Italian 24 Jan 82 p 7

[Text] Peace and social change will come as we put power alignments behind us and set about building a more democratic international political and economic order.

In every analysis of the current international crisis we are subjected to constant pleas (and probably there is some comforting reassurance in some of it) to pledge ourselves uncritically to this side or that, and hence to make a manichaeian judgment as to which side is to blame. There are those, in short -- in the east as well as in the west -- who allow ideology to prevail over actual historical fact, thereby ineluctably simplifying reality. The notion of eastern and western "camps" is indeed long a-dying, leaving little room for rational assessment, or for objective examination of what is in fact happening: it is no accident that there is a sustained volley from one shore to the other of charges of fence-sitting on the part of those who are trying to understand and shed some light on the complexity of the factors that underlie and feed the deep-seated processes of transformation and crisis in our time.

Our reading and interpretation of the world crisis, however, is focused entirely in another direction: to grasp a many-faceted reality, to lay bare its multiplicity of trends, to understand the numerous new currents that have welled up during the last decade at least to erode the old political order and the traditional world economic mold.

We shall not need much time to photograph the phenomena the crisis is revealing to us all. The proliferation of conflict in the world, the high level of logic-chopping vituperation between the two superpowers, the nationalistic diaspora, the intimate bonding between economic issues and international political relations, and the resumption of the arms race. In short, we have international instability and along with it greater difficulty in coping with international relations, and in dealing with relations among states and among individuals. To put it as simply as possible, one might say that it all stems from the changes the world has undergone, beginning in the Seventies and reaching explosive levels in the Eighties. I am talking about events familiar to all of us, but which it might be helpful to recall here: relative decline in the omnipotence of the superpowers, with some shift of

power to other areas of the world; and from thence ever-deepening crisis in the old relationship between the centers and the periphery that spares no system, no aggregation of states or regions. Clearly, we are not talking about matters purely diplomatic or of state, but of far more pervasive and deep-rooted phenomena having to do with the shift in classes, political organizations, and religious bodies (peoples, women, young people, movements, and even trends in thought and in civil behavior). The result is a continuous fluidity in situations -- a real transformation -- that endows the real world with a highly intricate and variegated appearance, involving strong thrusts in the direction of autonomy and change. At the very point where this upheaval runs up against the immobility and the hierarchies of the present international situation, the transformation is transmogrified into crises and instability.

Why, if not for this reason, has the North-South issue become central and crucial in this last decade? On the one hand there is a buildup of tremendous problems, some of them never seen before. I will cite only two of these: a new resource-to-population ratio, and hence new concern over the use and distribution of those resources; or the wildfire spread of underdevelopment to where it has become anything but a secondary brake on overall balanced development worldwide. To put it more simply: the demand, even the need for a more equitable world economic order, which would perforce demand new patterns of world cooperation. Then, on the other hand, all of this runs into imperialist structures and interests -- and into political and economic hierarchies -- which close all avenues to any positive solution to what is perhaps the most acute and most destabilizing of all the world's problems.

A like argument could be made -- albeit with different connotations -- about the world political order, still dominated by the logic of power and by the tenuous balances of a power motivated primarily by its need to conserve (and expand) its own areas of influence and by its own imposing military arrays. This, too, is an important point in any analysis of one of the major causes of the current international crisis, and one which directly involves the two world super-powers, of which the USSR is one -- at least since 1975: since in that logic the view of a world increasingly more complex in its reality is reduced, and sometimes forced into a radical polarization in the encounter and the clash between the United States and the Soviet Union. Many of the reasons for the breakdown in the processes of detente may be found in this direction as well. This context is also the one in which we must view the complication of states of conflict in vast reaches of the Third World that, until only yesterday, were perceived as "grey areas," certainly not outside the logic of imperialist domination, but equally certainly extraneous to the squabbles and hence to the logic of the European politico-military blocs. Here again, we must seek the reasons for that endemic obsession with security in military terms, which -- given the nuclear condition of our time -- far from providing any real security is engendering creeping insecurity, and hence spreading patterns of instability throughout the world.

Lastly, here again is where we can single out the obstacles -- and we might even say the currently brutal and dangerous rigidity -- to any manifestation of autonomy, of fitting in, of participation on a footing of equality which from Europe to Asia, from the Middle East to Latin America, is expressed with ever-increasing insistence.

Careful perusal of the world news may from time to time single out those responsible for this or that incident that has aggravated the crisis. And this must be done with an open mind, without prejudice, without ideological bias. Even so, a constructive contribution to a solution for the present world crisis can come only from a rigorous analysis of its structural nature, both economically and politically. That analysis must be one that grasps both the newness and the scope of the problems, so as to scan new horizons for their solution that will measure up to the gravity of the situation.

A new start for detente, with fresh content and more workable procedures, disarmament and a new security system, transcending the politico-ideologico-military blocs, building a more democratic world order and creating a new international economic order: these are the most realistic points of reference to cope with the crisis and to assure peaceful continuation of the tumultuous changes under way. This is in fact the lesson we learn from the bruising events of recent years: from the Middle East to Poland, from Central America to Western Europe. And it is the lesson that the Italian communists are striving to understand and remember, so as to spare the world the catastrophe of a war.

New Internationalism

Venice L'UNITA in Italian 24 Jan 82 p 8

[Article by Renzo Trivelli]

[Text] Third Internationale-style relations conflict with the requirement for broader and more sensitively articulated solidarity amid the utmost autonomy. Elements of our ecumenism.

The crisis in internationalism is already a given. We do not intend, with this assertion, to say that say that irrevocable defeat has come to a position which ought to be the continuing stance of the working class. Nor do we deny that in these times there is need for broad international solidarity: rather that it seems to us more urgently necessary than ever as we confront the great crucial issues of peace, development, and the advance toward socialism.

The crisis in proletarian internationalism is viewed here as a crisis in relations among the communist parties since the end of WW II. For that matter, even in the days of the Third Internationale those relations were not invariably free of difficulties, conflict, or crisis. The history of the Cominform among the communist parties was even more dominated by tragic events and by a crisis that led to its collapse. This is evidence, even then, that we had to be looking for new paths, but that there was no wish to explore them.

Proletarian internationalism, which is a well-defined theory and practice in relations among communist parties as it took shape in a particular phase of history, now displays three grave and unresolved problems, three inadequacies, so to speak, that have become chronic.

First of all, it has proved inadequate to the task of providing sound regulation of relations among communist parties at a time when, in disparate and diversified parts of the world, they were becoming ruling parties. That proletarian internationalism did not survive the new reality. The history of those relations has oscillated, sometimes drastically, between the opposite poles of monolithism and schism; and it has engendered unheard-of phenomena when political disagreement escalated into open armed conflict (China-Vietnam, Vietnam-Cambodia), and "internationalist solidarity" has begotten such anomalies as the military occupation of Afghanistan and the solicitation and support of military solutions to political crises, as in Poland. At the root of all this lies a profound failure to grasp some of the problems of the modern world, a dogmatic hardening in Marxism, and the notion that the model of society produced in the USSR by the October Revolution is universally valid and applicable everywhere, with perhaps some minor variations here and there.

In these positions lies the root of the second inadequacy as well, one that seems to me to consist in the cultural, political, and practical lag on the part of more than a few communist parties in dealing with the problems of socialist revolution in the upper reaches of capitalist development. In many of those countries, where after the end of WW II there were great possibilities for the growth of communist strength, there has been instead stagnation and even regression. I believe that one of the causes of this lies in having clung to the soviet model even for these societies; in having stood pat, substantially, on this formula for the socialist revolution. Here there was no daring or questioning in theoretical elaboration, no visible connection between policy and strategy. It is partly for this reason that the communist parties have yet to become mass parties.

Finally, that concept and that practice of internationalism is not only inadequate: it stands as an obstacle to the establishment of fertile and positive relations with a range of democratic and popular parties committed to various ideal and cultural (and also religious) beliefs, which are not part of the communist tradition. One barrier to the establishment of these broader and more positive relations, for instance, is the assertion that "In our time the criterion for assessing proletarian internationalism lies in its attitude toward true socialism." And that brings us to yet another problem. It consists of defending a position, which I believe to be both out-dated and hurtful, holding that working-class political parties which are not communist must ipso facto be considered evidence of middle-class influence on the working class, with the logical consequences such a judgment entails for our strategy. If ever, in some bygone time or in some other circumstances that position had some sound basis (remember Lenin's analysis of the "working-class aristocracy"), it is today, at least in Western Europe, a source of immobilism and factionalism.

Out of these objective data, out of these crises, out of this three-fold inadequacy emerges our quest for a new internationalism, some of whose fundamental -- not to say classical -- features include: full autonomy, equality in relations, sovereignty, and rejection of any one controlling center for the international communist movement and any single model for socialism. In his interview in NUOVI ARGOMENTI and in his memoir on Yalta, Togliatti opened the road to that quest with his positions, which he summed up in the simple expression "unity in diversity." Now we have gone farther, both because that advice was never followed by those who had the most powerful voice and the most weight in the worker movement, and because "unity" itself has not for many years been an a priori given, and also because we are taking a critical stand -- which is neither interference nor an invitation to subversion, but is instead advice it is our duty to give -- vis-a-vis certain systems now in being in socialist society, for which we hope for reform and renewal.

On the other hand, we in Western Europe (but not only here, even though we cannot discuss the problems of other continents right now) are facing a multiplicity of political expressions of the working class and of the world of labor which, in divers and sundry modes and forms, and outside communist traditions and positions, are moving or may well move toward a democratic and socialist renewal; and hence, in a way, outside the capitalist logic. The problem, or one of the main problems for the new internationalism consists in the relationship we communists decide to establish with this reality which is both socialist and social democratic. Criticism of the current shortcomings (apart from the historical limitations) of this reality, massive though it may be, must tend toward leaving our divisions behind us, toward unity. For this reason I do not think it wrong to say that, in our perception of these international relations there is something which we might call an ecumenical element, since neither our common social base nor our common ideology is in and of itself sufficient to a new and higher unity: on the contrary, they have not even managed to avoid division and schism within the worker and communist movement.

Understanding and unity in the worker movement in Western Europe coincides basically (albeit not exclusively) with the issue of relations between communists and the socialist and social democratic component. Socialist and social democratic governments are in power in major European countries, while socialist and social democratic parties wield decisive strength in many other countries. This being the case, we would do well to work to prevent retreats into the past (we must not underestimate several symptoms of a rightist counteroffensive in France, which came to light during the recent parliamentary elections there). We can do this, though, only if at the same time we strive to build a firm foundation for a new internationalism. To this end, what matter are not the ancient histories of schisms and apostasy; what really matters is the elaboration of new platforms whose common building blocks are our commitment to peace in the world despite the nuclear threat; the choice of democracy as fundamental to the advance as well as to the building of socialism; and an open readiness to inquire

into and freely discuss all the issues of our time, including conditions in countries where communists are in power, in search through confrontation, untrammelled by dogmatism, liturgy, or anachronistic discipline, of new answers to new problems.

0182

CS0: 3104/110

DISARMAMENT, EAST-WEST, MEDITERRANEAN ISSUES ASSESSED

Florence POLITICA INTERNAZIONALE in Italian Nov-Dec 81 pp 9-20

[Articles: "Europe Again in the Midst of Crisis"]

[Text] Europe again finds itself at the epicenter of world conflict and crisis: the hardening of East-West relations, nuclear rearmament, the Polish question, and the situation in the Mediterranean are some of the issues on a "calendar" loaded with problems and causes for concern. This has been dramatized by Reagan's incautious remarks about a possible nuclear war limited to the European "theater" alone. The "European citizens" who took to the streets by the millions showed that they were fully aware of this danger and that they rejected war and the great powers' arms strategy. POLITICA INTERNAZIONALE has asked Corrado Belci, editor of DISCUSSIONE, Francesco Gozzano, vice-editor of AVANTI!, Romano Leddo, director of the PCI's Center for the Study of International Policy, Giuseppe Mammarella, of Stanford University in Florence, and Ruggero Orfei, of the Study Office of the ACLI [Christian Associations of Italian Workers] for their opinions on these issues.

Belci: Knitting up the Raveled Cloth of Peace

The growth and spread of points of conflict, the sharpening of tensions under the pressure of the arms race, the rise of uncontrollable situations, and the tragic and destabilizing assassination of Sadat have aroused fears for the security of peace in the world. The long-range confrontation between Washington and Moscow has aroused concern that a new cold war may be taking shape and that there may be no opening for dialogue. The September meeting between U.S. Secretary of State Haig and Soviet Foreign Minister Gromyko, with the subsequent announcement of the opening of negotiations on theater nuclear forces in Europe beginning on 30 November was greeted with a general feeling of relief in all parts of the world.

The tragic death of the Egyptian president has opened the door to many unknown factors. Concern has increased tremendously, and not only about how the Camp David agreements might be implemented. It is also an extremely stern admonition that it is imperative to begin again to knit up the fabric of peace.

Facile optimism is, of course, out of place, since everyone knows how long and difficult the negotiations promise to be, but all statesmen of good will want these negotiations to go beyond the subject of theater nuclear forces in Europe and include other international problems, the objective being ultimately to replace what economists would call the "vicious circle" of the arms race with the "virtuous circle" of defusing dangers and rebuilding world peace.

The decision to negotiate is logically tied to the achievement of peace through security. Improvement in East-West relations is not in itself sufficient to renew a policy of detente, especially if detente is interpreted as being only the reestablishment of a balance between the two superpowers. The task is to integrate the East-West dialogue into a complex of acts to be accomplished in every area in order to avoid the danger of a new Yalta.

A renewal of detente is obviously linked to dialogue between the big two and, beyond that, to a realization that international relations have become multipolar in nature. Multipolarity is a fact expressed by the force of events, not weaker allegiance to the individual alliances formed after the second World War. Except for ideas of hegemony, which everybody rejects, loyalty to politico-military alliances is not irreconcilable with acceptance of world multipolarity and, thereby, with the usefulness of multilateral relations.

Loyalty to an alliance is not submission to the major powers but true and constructive adherence to the spirit in which the alliance has its roots. For Italy, this means that its friendly relations with the United States are quite natural and that its freely chosen international relations are not being questioned. But this very position both requires and allows this country to play an active role realistically proportioned to its weight in the variegated configuration of the various states. Thus, Italy should speak frankly with its natural, American allies and give them an Italian historical perspective on European affairs, one that is certainly hard to ignore.

It is not so important, then, to get bogged down in sophisticated analyses of whether the U.S.-USSR "recoupling" is due to the Reagan administration's tactical flexibility or to its entering a "second phase" of post-election politics with its domestic economic and employment problems and its international problems. No doubt, union activity in mass demonstrations, together with ties with the opposition party and questions about a possible new Viet Nam on the front doorstep (the situation in El Salvador), have made Reagan seek an image that is more candidly realistic and less rhetorical than it was at the end of 1980. But whoever seeks peace and makes it the concrete objective of his policy may find the analysis important if only to ascertain what the best strategy for peace might be.

If it is true that the balance of terror cannot preside over a true international balance of power, as either fear or mistrust will always make the others' armaments seem greater than one's own, the route to take can be only that of attenuating the points of conflict and substituting for the preeminence of the "vicious circle" of the arms race the "virtuous circle" of detente.

Opportunities are not lacking in either the North or South, East or West, and an attempt to list them would only sin by omission. The killing of Sadat brings the "Mediterranean risk" to center stage by raising tremendous questions about the future of Egyptian-Israeli relations, tensions in the Arab world, the Lebanese situation, Iran, the Iran-Iraq war, the threat of Libyan armaments disproportionate to national needs, and the international political significance of Tripoli's gloating over Sadat's assassination.

This upsetting fact comes in addition to an array of worries: Soviet aggression in Afghanistan, which has signaled a dangerous exporting of the theory of limited sovereignty outside of the Warsaw Pact; pressure on an evolving Polish society with an absolutist ideologicalization of the East European alliance; Russian influence in the heart of Africa, and the cruel scenes in Central America, which are more complex than "ideological" oversimplifications; Southeast Asian conflicts, which are being fed paradoxically by Vietnamese and Cambodian communism; and the disturbing U.S. indulgence for the Pinochet regime. The world situation points decisively towards cooling off hot spots as a premise for an effective renewal of detente. Beyond that, there is only the risk that intoxication of power or fear of encirclement might inflict upon humanity the horrible experience of nuclear explosions.

In this context, Italy obviously does not swing any great weight, but admitting this does not mean confessing to irrelevance or assuming that the vastness and complexity of the situation is an alibi for an impossible immobilism or apathy.

There is room for what we are used to calling Italy's "own" contributions on the world scene, considering our relative importance and the consistency of alignments. Indeed, it cannot be denied that Italy has made a noticeable contribution in pushing for renewed negotiations and in opposing the SS-20 Euromissiles, both in direct politico-diplomatic action and in exerting influence within the European Community.

We think Italy has a special role to play in sustaining the relevance of the North-South relationship in the world. That role is to get relations between the more industrialized countries and the developing countries away from utilitarian pragmatism, paternalism, and even outright cynical abandonment and follow the path of properly balanced development. It is shortsighted to think that this aspect is secondary in the strategy of peace: it is more stupid even than egotistical to say that the "poor" countries have to pull themselves up by their bootstraps because the rich countries are too busy spending on arms and other things to bother with them.

Another fundamental aspect concerning our country is Europe's political renewal. For us, it is the concrete political implementation of a synthesis of security and peace. Obviously, it is not a Europe imagined as a key third force or as a neutral but, as has always been said, one that is in an effective partnership with the United States of America for the purpose of guaranteeing the functioning of the Atlantic alliance, which is in terms of military integration the end with respect to the means. Both the political harmony of the Atlantic sphere and the more constructive sense of multipolarity in the world need Europe as a political entity. We realize that this is more easily said than done, and we are aware of the economic and institutional stalemate in which the European Community is locked. The objection will be made, then, that it is more realistic not to think about utopistic political unity and instead take small steps toward economic rationality so as not to remain victimized by the wine wars and toward institutional rationality in order to support the organizations that have been working so hard to implement the Treaty of Rome. Yet even here it appears that realism has "spit out its soul," and that if it does not find that supplement of ideals that only a broad vision can furnish, it will in the end remain a victim of its own sterility.

We mean that for political Europe, as for Italy, a great political reform is worth more than a great institutional reform, i.e. a rediscovery of the true forces behind this movement and the capacity for perhaps working with them in order to achieve such an ambitious objective. Grand historical designs have never been achieved with

small tactical gains. Today's Europe is asking the Ten for acts of political courage. Italy can have a foreign policy worthy of the name by putting itself in the risky position of leading the charge rather than cowering opportunistically in the rear.

Another contribution that Italy can make (or, more precisely, continue to make) is that of improving relations between the European Community and countries outside of both it and the Eastern bloc. Appropriate examples of this are the "pactlet" for Alto Adige and the dialogue with Austria on one hand, and the Osimo treaty with Yugoslavia, on the other. These political initiatives are making concrete contributions to peace through ties of friendship between the countries concerned. Indeed, it is easy to be pacifistic and ecumenical when disputes arise about far-away issues that are often chosen as battle symbols in domestic politics; it is harder to be concretely so by exercising one's duty as a peacemaker--sometimes at the price of sacrifices and being misunderstood by public opinion--in areas of the continent where Italy's own influence is crucial. Italy has done so in its relations with Austria, a neutral country, and Yugoslavia, a non-aligned country, at an extremely important crossroads of Europe, where the Balkans meet western Europe. Relations can perhaps be improved by concentrating more on defusing dangers than on constructive continuity, which is useful in itself, for Europe and peace in general.

The hope of "European citizens" is that on the road to being a good neighbor Italy will strengthen the example of cooperation that it began to set in the second half of the century.

Gozzano: Autonomy of Action

After years of relative "abandonment," Europe is again becoming the epicenter of the crises and tensions that divide the two great spheres of interest; these crises and tensions are certainly not due to antihistorical proposals to modify the present balance of power between NATO and the Warsaw Pact through real or supposed attempts to acquire positions of influence within the opposing system. Two examples should suffice: Poland and the FRG. They represent two completely different and asymmetrical situations. The first case involves an attempt to gain greater "internal" autonomy with respect to implicit and explicit conditions of the communist system, while the second case tends toward more "external" autonomy in international politics and more freedom from the hegemonic power of the Western bloc.

To understand the cause of what is happening, it may be timely to bring out the Helsinki Act of 1 August 1975 (which was signed, it should be remembered, when the United States was in its full post-Viet Nam crisis). The Act not only recognizes Europe as it has been shaped by the Second World War but also the participation of European countries as individual and autonomous protagonists in a great international negotiation. From this Act emerged an accentuated and organic internationalization of themes connected with human rights and the autonomy and sovereignty of states, which would have different consequences in the East and West: the communist countries allowed at least superficially a greater dialectic within the system vis-a-vis the Soviet Union, one that risked in the long run to undermine the consensus of a state guiding the internal affairs of individual nations; in the Western countries, the Helsinki Charter was seen as a possible instrument for acquiring greater responsibility and room for autonomy in international relations on the themes of European security and cooperation with respect to the United States.

maintain the umbrella under which Bonn could continue to pursue its Ostpolitik at a time when Washington might be tempted to seek a privileged understanding with Moscow over the head of Europe. Now that things have changed in America, and Carter has been succeeded by Reagan, who has quite different proposals, Bonn and the rest of Europe fear that the American hard-line stance might increase tensions, which would limit European countries' relatively autonomous room for maneuver, force them to close ranks behind the United States and embrace, with all the attendant consequences, its conception of "indivisible detente." This fear has led to the firm request not to exclude the option of negotiating but to make it an integral part of Western policy. This request was expressed in the "double decision" formula of NATO on 12 December 1979 on moving Euromissiles and starting talks for reducing their number.

But will the Americans keep faith with the substance, if not the form, of the second part of the commitment? Are they not taking the chance of making dialogue non-productive and impossible by increasing nuclear rearmament in order to compensate for and maybe even overcome the present imbalance? The emergence of these doubts accentuates the pacifist and neutralist movement, which is based on a large though unexpressed distrust of American willingness not so much to negotiate as to reach agreements with the USSR. Hence the quest for autonomy, free from the duties and obligations imposed by membership in the Atlantic alliance. The German government, and the same goes for the other Western countries, including Italy, has been trying to control and channel this movement by asking firmly that the United States follow the path of serious dialogue for the purpose of reducing tensions and the weapons that are likely to exacerbate them.

In this area, the European countries most involved in the 1979 NATO decision are moving with firmness and dignity to reject uncritical Atlanticism and aprioristic appeasement that might worsen relations with Washington and make it take increasingly drastic positions.

The way that is being followed is that of demanding greater decision-making power within the Atlantic alliance and greater autonomy in peripheral areas (e.g. the Italian attitude, different from the American, in relations with Libya). This is likely to lead to true partnership between both sides of the Atlantic. In sum, then, it is a force that intends to impress upon the United States that dialogue with the East is efficacious and effective and that it promises positive results in alleviating tensions in Europe and the world. Far from seeking and pursuing willfully autonomist policies in a polemic with Washington, it seeks to influence its options and shape decisions according to a strict and effective European consensus. This seems to be the only possible way of going beyond impulsive actions that have no realistic chance of changing the course of international policy.

Ledda: The Courage of New Ideas

Perhaps it is overstating the case to say that Europe is again the epicenter of crises and world tensions. How can one overlook the Middle East, for instance? However, Europe does have quite a bit to fear in the persistence and worsening of present international crises. Indeed, Europe has a lot at stake in the cafeteria selection of political, economic and military strategy problems that intertwine at the world level. But I do not want to neglect a singular, two-sided European condition: on one hand, the international crisis may make the Old World one of its most illustrious victims, and not the only one; on the other hand, it offers the opportunity, which no one has risked calling historic, to find solutions that would be in many ways decisive in helping reach a positive solution to this crisis.

I do not intend to avoid passing judgment as to who is responsible for the crisis. It would be nice to have even in Italy, and it often happens elsewhere, some discussion and even some research, though not the academic kind, of course, on the many and complex reasons for the crisis of detente and all the dangers it is fraught with. But I wonder if it would not be proper to concentrate our attention here and now on finding out where we are and seeing what price Europe might have to pay or, on the other hand, what contributions it might make.

I believe the present international crisis is not merely due to the economic situation indeed, it is very different from the many other crises that have marked the postwar era. We are faced with a structural crisis, a change in the shape of international relations and an explosion of problems so vast that they are sometimes unheard of: economics, politics, and military technology. I think, then, that it is necessary to try to reach a truly conceptual way of dealing with international crises; old ways of seeing and interpreting things must be given up, and we must have the courage to have new ideas to meet the challenge of the 80's. I really see no other way to be realistic, which means setting forth timetables, objectives and political initiatives, unless we become aware of the new things taking place and of the new things that must be done in foreign policy.

Let us begin with the hardening of East-West positions, which would be more correctly called a confrontation between the United States and the USSR. This is one of the most serious aspects of the world situation and the major threat to Europe. Indeed, Europe is already involved in it, and it will be even more so if it is sucked into the whirlpool of a worsening confrontation between the great powers. Its margin of autonomy is already compromised and may be hobbled, along with its political and economic role.

So far, Europe has had a function that might be termed subordinate. It has perceived the extent of the problem but has been unable to move out of its traditional position, which might be summed up as that of a "surrogate" of the superpowers. When confrontation arises, Europe seeks to act as a mediator. When the situation cools off, Europe seeks to make some room for itself. In short, then, Europe's role shrinks or grows according to what the relations are between the USSR and the United States.

Here a complete change must be made. To put it very simply, Europe's problem is to find out how to put forth a political proposal that decisively favors agreement between the greatest powers--this is fundamental to the process of detente, a process that combines to give this agreement form, possibilities and content adequate for the rest of the world, to give it what may be called the "European dimension." This presupposes a full awareness of the autonomous role that Europe can and ought to play in world affairs.

I want to point out three urgent areas for action: North-South relations, security, and the military-political blocs. It is rather obvious to point out that North-South relations are something new in the present crisis; they bring high risk of conflict, acute forms of instability, etc. But above all, the North-South question opens up a new perspective of international relations, which are no longer oriented along East-West lines. Europe, more than any other geographical area, has an interest in finding a positive solution to this issue. This is true for political reasons, since the problems of peace and war have a definite and visible connection with a just solution for the tragedy of the world's South. But this is true also for economic reasons: one has only to think of the price Europe is beginning to pay--deprived

as it is of raw materials--for the unequal division of labor and bitter competition for markets and resources. No one more than Europe, then, is inclined to favor interdependence on an equal basis with raw-materials producing countries outside the Mediterranean. This is possible only if Europe realizes--and takes appropriate action concerning the fact--that it may have other interests and viewpoints than its powerful trans-Atlantic ally. The immediate issues, for example, are those of the crisis in the Middle East and, more generally, the new international economic order.

The problem of security. Europe has suddenly found itself held hostage by events beyond its control; at the extreme, it could become a theater of a conflict that some people mistakenly think might be limited. Perhaps security would be increased if some thought were given to it, as a strong movement of public opinion is not being effective. Obviously, there are some problems of security, and military balance, in short, defense. But is it not a question whether the very concept of security that has dominated political and military thought over the last decade should not be reviewed in the light of the "atomic condition" and dramatic technological advances? Europe's geographical position, and I mean its actual physical space, makes it in this case too more interested than anyone else in assuring security through more than pure and simple military means. New forms of political and economic cooperation, negotiating methods, etc. are needed. How will all this be possible without breaking the rules of the game that have prevailed so far and declaring that Europe has the power and capacity for autonomous negotiation? This is especially true at a time when the problems of security are being obsessively driven to worse extremes by absolutist thinking and new, uncritical allegiances and old dependencies are being promoted.

This brings up the problem of the blocs. Let us proceed with necessary realism, aware that in such a delicate phase of international affairs, everything that upsets the political and especially military balance is rather risky. The problem is therefore not one of discussing anew the present military-political alliances of either the East or West. But it is necessary to note two new elements and begin to think about them. The first is that there is a dangerous tendency to expand the notion and practice of blocs outside of Europe (the North-South issue, for example, has become a bone of contention between the East and West). The second is the opposite tendency--which also causes tensions--of the domestic and international situation of these blocs, which points to and brings into play effective forms of articulation. All the processes of conflict are an obstacle to it, as is the spread of power throughout the world; within the Eastern bloc there is the Polish crisis, and in the West, there is the robust inter-Atlantic squabble. Is it possible, then, to argue *ad infinitum* in terms of blocs, opposing "camps," and the rigidity of present world hierarchies? Let us speak realistically and prudently without proposing extraordinary measures: has the time not come when we can put forth a new vision of international relations and call into question at least the rationale for blocs and the power accruing to them or flowing from them, as we have experienced them since WW II? Could we not thereby also defuse an effective return to the cold war?

A more democratic world order and a more equitable world economic order: these seem to me to be the bases of a European foreign policy that would go together with the effective solution of the present international crisis. It is still an open question how and with whom Europe can create this policy. But that quickly broadens the discussion to include the dominant groups and the European social and political forces. There is already an open struggle taking place in Europe, which is not, of course, an autonomous capital but which can certainly assert a second order of judgment and consideration.

Mammarella: Movement in the East and West

The sudden return to bipolarism, which is due to the reawakening of tensions between the two superpowers, has demonstrated the limits to the autonomy acquired during the 70's by European countries orbiting within the two spheres of influence. Governments and political powers have realigned themselves according to the positions of the leading powers, except in countries where the initiative of popular movements has manifested itself most strongly.

The western European pacifist movement and the Polish democratic movement are two phenomena that are naturally diverse but which are fundamentally analogous. They are both directed against the dominant superpower in their respective areas, and they are forcing them to reconsider their strategies and modify their extreme manifestations. They also reconfirm a parallelism and correspondence in the political dynamics of the two Europes, eastern and western, which had already appeared in 1968 with the Prague Spring and the Events of May in Paris.

It is hard to anticipate the development of Polish and pacifist dissidence, but it is foreseeable that they will not be easily reabsorbed. It is now clear that the Polish movement goes far beyond the attempt to create a free union and is acquiring the characteristics of a general alternative to the system that promises to have a rather complex future. A Soviet military intervention or one provoked by internal forces might block it but would risk opening an even more disruptive phase for the Eastern bloc. As for the pacifist movement, it has arisen out of a fear of atomic war. This is not the first time that this fear has appeared in Europe: there are the examples of the movements of the 50's and 60's, which, like the present one, had their center in Germany. Their origin and decline were linked to such facts as German rearmament or to NATO's adopting nuclear arms, and these movements were by their very nature quickly exhausted. Once the government programs motivating the protests had been adopted, the protest movements inevitably died out. This time, the protest movement is linked to longer-range objectives: the installation of missiles in 1983, and all phases of a negotiation between the two superpowers that promises to be long and full of unknown factors. The protests are also taking place in a climate made more emotional by an economic crisis that could cause the pacifist movement to become a social protest movement. How will all this work out at the level of international relations and balances?

What will be facing us for the next 5 or 10 years, it is hard to say how long, does not promise easy agreement between the superpowers. Many indicators seem to anticipate a scenario characterized by a series of movements of varying intensity with periods of easing tension aimed more at avoiding a conflagration of conflicts than reaching lasting agreements. The complexity of the matters that are the object of negotiation is such that the terms of the agreement, if there is one, will likely be the object of permanent opposition from the "hawks" of both powers. The fate of SALT II is a case in point.

The uncertainty of information and the quality and consistency of the nuclear potential of the two superpowers make it almost impossible for even the best-informed public opinion to take positions in the confrontation. In the coming years, the conduct of negotiations is likely to avoid reaching objective judgments on the responsibilities of the two parties.

There is still the question of what to do to avoid an irreparably bad outcome. As for western Europe, the prospects for unified action have diminished since the Paris-Bonn axis has weakened and perhaps faded away. A Rome-Bonn axis does not seem to us to be an ideal replacement. France has turned toward bold reforms that are, however, full of unknowns; in any case, they indicate a preoccupation with domestic rather than international affairs. Great Britain, whose industry is now unable to compete with that of the continent, will remain in Europe in the best of circumstances, but it does not seem ready to extend its community participation. Europeanism may reemerge, but the general situation in Europe does not seem to be the most propitious. Actually, now as never before, the reemergence of protectionist temptations--and I am not just referring to the wine war--Europe is running the risk of compromising the achievements of three decades of community politics. Also, the domestic situations of the various European countries are too precarious, though in different ways, for governments to work seriously at anything other than difficult matters of management. Europe still has room to take marginal positions, on Latin America and North-South relations, but it would be a mistake to have too many illusions about their impact on a general strategy in which the focus for the United States is still East-West relations.

In the East, Polish worker dissidence is contributing at least for the time being to strengthening the ties between the USSR and the satellite governments that are too afraid of contagion. In the right time and place, Poland might also become a model for the other countries of the East, but that will happen if the communist parties succeed in maintaining supremacy and controlling the grassroots movement; and in any case it will happen only if and when Moscow thinks it convenient.

Thus, in both the East and West, immobilism and government inability to act create a more definite role for popular movements. In recent months, these movements seem to have exerted a really effective braking action on the decisions of the superpowers. In Poland, the tens of millions organized by Solidarity formed the strongest deterrent to Soviet intervention. But there would be hell to pay if the most radical and adventuristic elements got control and forced Moscow to move its divisions. The process of democratization should develop gradually in order to benefit Poland and Europe; it will have to accept temporary setbacks.

In the West, the cause and effect relationship is less clear, but it can be said that it is to a large extent the effect of pacifist movements to make pressing and credible Europe's demand for East-West negotiations and to induce Washington to keep an ear turned to it. But pacifism does not mean neutralism. The former is legitimate and potentially constructive; the latter is dangerous and willful. By giving up an autonomous defense more than 30 years ago, Europe left itself only the Atlantic alliance as an alternative. If the credibility of the alliance now requires a new balance of power, how can its members avoid it without leaving the alliance? But loyalty to the alliance is something more than uncritical acceptance of decisions made by others, and government action that is in itself weak will lose any residual persuasive force if not actually run counter to public opinion.

The pacifist movement is thus acquiring multiple capacities for action: a direct one on the respective governments, forcing them to adopt policies that they had often rejected in the past in confrontation with the leading countries; another, more general one on American policy and, together with the effect of Polish dissidence, on the dynamics of East-West relations. It is hard to say whether this may be sufficient to contain superpower conflicts within acceptable limits, but popular initiative is probably one of the most effective instruments that Europe has to maintain peace without suffering the consequences of impotence and loss of liberty.

Orfei: The Road Mapped out at Helsinki

The crisis of East-West negotiations exploded right after the signing of the SALT II agreements and contains so many dark areas that any political judgment is made difficult and, at any rate, temporary. I do not think the international situation can be sufficiently explained by Reagan's feeling it necessary to have U.S. security depend on Western superiority and to reject the principle of strategic parity with the USSR.

This theme is at the center of the debate, and in truth the Americans make no secret of the fact that Washington is seeking superiority in its confrontation with the Soviets. In absolute terms, however, this is nothing new, and opinion is divided whether the minimal level of mutual deterrence is still constant, whatever armaments lead either party may take.

It is very likely that a different explanation should be sought. To find it, it is necessary to analyze the crisis from the standpoint of the bipolarism involving both superpowers, which must somehow reinforce all their common areas in order to maintain a role that has not yet found one to succeed it. Hence it is necessary to keep an eye on the games that are being played on the "frontier marches" or the routes connecting them. But it is also necessary to consider the changes that are taking place or are possible in the respective spheres of influence.

It certainly cannot be said that we are seeing everything for the first time and that the 1979 crisis did not mean much, because it definitely did preexist, given the basic cause for it. However, one main risk appears to emerge from the subtle interplay of forces that should lead to the discovery of a new world order: what happens when the encirclement of the USSR is confirmed, and it has always existed, and especially when Moscow is expelled as an influence from points of crisis? The case of the Middle East is a prime example. Less clear-cut but equally significant is the expansion of military presence such as that of the Soviets in Afghanistan and the United States, with its fleet, in the Persian Gulf. These are signs of a hardening of frontiers in traditionally soft zones, which, however, involve China and Japan, where the establishment of a true army is now the subject of public debate.

In real terms, this does or may mean that the USSR, even without massive U.S. rearmament, is heading into a situation where it must face various military "parities" other than that of the United States. The risk is that the Soviets may be induced to take adventuristic chances by the fear of encirclement and the loss of guaranteed security. If the crisis of bipolarism is subjected to this kind of test, detente would not only be sunk (and it still exists, despite all) but the door would be open to a real armed confrontation.

American rearmament involves a waste of resources in an economy that no longer considers defense spending suitable in a depression; but even discounting that, we ought to be even more afraid of the purposes of a negotiating policy and new, emerging world forces that make bipolar governance impossible without insuring multipolar governance.

Here is where the problem of Europe comes in, as well as all the risks of the new situation. Beginning at least with the 1962 Cuban missile crisis, a dialogical relationship was established between East and West, and everything could proceed in an almost straight line development to make the theory of Yalta practically secure. At that time, the fear was that the Yalta agreement might break down. As it was, the Soviets withdrew their missiles from the Caribbean island, and the Americans guaranteed

the security of Castro and his regime. It was an example of a confrontation without winners or losers, one that could serve as a model for other agreements. These were not lacking, as vigorous leaps forward were made with the Ostpolitik (despite Prague), SALT I, the end of the Vietnam war, the CSCE [Conference on Security and Cooperation in Europe], etc. and, finally, SALT II, which foreshadowed SALT III. The latter would have examined the ceilings to be placed on nuclear arms in the European theater.

The CSCE's difficulties were underestimated first in Belgrade and then in Madrid. Also underestimated was the inconclusiveness of the Vienna conference on the reduction of conventional armaments in central Europe. The failure of the Geneva conference on nuclear non-proliferation verification passed almost unnoticed.

Actually, in each of the cases recorded, many forces were brought to bear to make the jump to the next higher level. Sometimes it was nuclear arms, sometimes diplomacy. The latter is the case of the FRG, which does not have an international political role equal to its economic power. Germany's efforts to play a greater part are a key element in understanding recent events.

To hear Bonn tell it, one would think that the Schmidt government has been very active in pointing out a presumed imbalance in theater armaments, even when widespread optimism prevailed over the actual nature of SALT II. Germany was anxious to obtain a role in SALT III negotiations, which no one doubted would take place. But a strong power bloc in the United States did not accept an autonomous role for Germany and wanted a rearmed Europe within the Atlantic alliance without FRG autonomy. It is hard to say whether Moscow had similar concerns. However, it is certain that the policy line that emerged in 1962 was coldly broken off, and this upset the general negotiating conditions in which the blocs would have played an important part by broadening the area of discussion.

Schmidt's irritation expressed at Ottawa and the American demand to move the neutron bomb into Germany to support U.S. troops as and when Washington decides, these were eloquent signs of the failure of German policy and, at the same time, of a change in relations between the United States and allied Europe.

The Americans seem to have been exceedingly energetic in provoking a reaction against themselves, one that is capable of exciting continental "nationalism" in Europe and giving it concrete form. The movement is toward a new EDC [European Defense Community], and this time it could have axes including France in association with Great Britain (which would remain linked with the United States for other reasons) as well as the FRG and Italy. That way, the United States could count on a new strategic European "parity" against the USSR: an armed Europe able to finance itself and take over part of the American financial and military burden. Signs of this are the attempt to delegate the Mediterranean maritime police function to Italy, the rearming of heavy strategic intercontinental missiles in the United States, and the many different claims of defects in the Pershing II and Cruise missiles, which make it almost seem that at this time the Americans will not give them to any European ally.

Pressure to form a European army, which could have a large negative impact on the military budgets of the countries involved, has now become rather visible, and questions that only a year ago were being whispered about are now being voiced aloud.

Thus, if the recently announced negotiations between the United States and the Soviet Union lead to a reappraisal of their relations, no one will continue to favor the formation of an autonomous European army. Some even now imagine it as an arm of independence from the Americans, but they forget the ties of technology, patents, and ideology that underlie the Atlantic alliance even without the NATO treaty.

In this context arises the Polish question, which is of great interest. The room for autonomy not only for the union but also for POUP [Polish United Workers Party] has a basis within the structure of international relations. If Poland is to serve as a channel of communications between the USSR and Soviet troops in the GDR, nothing can be done to interrupt this enormous strategic conduit. Beyond the terrible economic and productive crisis that afflicts the Poles, they have enormous latitude, because they assure the Soviet troops' transit corridor. Some Western circles' demands that the Polish issue be exploited to the full, at least in propaganda, are much in evidence, because they consider only the immediate aspect of a return of tensions that would favor the formation of a European army and perhaps persuade wavering countries to join it.

Here appears the second danger of the situation: a Soviet Union placed in further strategic difficulties might undertake an act that no one ought to encourage directly or indirectly.

Renewed faith in negotiations and planning for an effective conference for European disarmament is becoming a vital necessity. There are reasons of economy and military strategy, but there are also reasons of that other strategy indicated in North-South relations: failure to find a solution might alter the whole pattern of Northern dominance of the globe.

Before seeking a purely national balance with the United States, Europe ought to understand that if it attempts to find only a "dignified" military solution and parity with both rival and ally, it will fail because it is not enough, and it is not enough because it will fail. The waste of resources is senseless. In practice, the danger of war persists and grows only if people act as though war were imminent and as though that were a sufficient reason for it. The route to follow leads in other directions: one of these is that of the Helsinki Act, which is derided by supporters of Realpolitik and to which there is no real alternative. Europe must somehow control itself more than others, because an aggressive military-industrial complex may be taking hold of politicians and their advisers nested in the dependent mass media.

8782

CSO: 3104/82

ARTICLE REVIEWS PROBLEMS FACED BY NEW MILITARY LEADERSHIP

Athens I AVGI in Greek 22 Jan 82 p 5

[Article by G. Karambelas]

[Excerpts] The recent changes in the leadership of the armed forces are a marginal event in Greece's post-war history. This is because a naval officer's obstacle-ridden climb to the highest position brings to an end--on the surface at least--the army's reign of supremacy in the armed forces which began with the civil war and peaked in the period of the dictatorship.

The recent selection of Admiral Degiannis as new GEETHA [National Defense General Staff] commander is surely the prerequisite for smooth and democratic development in Greece's armed forces. Yet, at the same time, it presents to the new leadership intense problems requiring an immediate solution which the general free granting of a housing allowance does not resolve in the least.

In fact, to the contrary, granting a housing allowance is a serious mistake and is shortsighted preferential treatment which, in essence, moves the armed forces even further away from the civilian world since, in this way, it promotes their autonomy. Moreover, it is a mistake because, while not dealing with the soldiers' basic problems, it was used for the sole purpose of bringing the forces even nearer to the government, which is futile since the problems of the man and soldier remain unsolved.

Of course, there has been a certain beginning. But what will happen next when the new military leadership, aside from other things, must:

1. Increase the rates of full war readiness of all the weapons existing today, so that procurements are proportionately restricted and preparedness for war is increased.
2. Solve the problems of officers' career, meritocratic and technical development.
3. Improve and complete the Greek armed forces' fairly low and fluctuating relations with the armed forces of the Arab and African countries.
4. Improve the armed forces' organization and wrestle with the trouble left behind every day by the bureaucracy for soldiers and officers.

5. Recommend to the government, and show intention for, application of new regulations which will lead to democratization of the forces and deliverance of soldiers from arbitrary acts and psychological terrorism.

6. Finally put a brake on the continuing procurement of useless war materiel from abroad, either that which is paid for from the Greek citizen's pocket, or that which comes as aid from alleged allies.

9247

CSO: 4621/181

PROBLEMS OF INTEGRATING TURKISH POPULATION DISCUSSED

Hamburg DIE ZEIT in German 29 Jan 82 p 3

/Article by Nina Grunenberg: "What to Do With the Turks?"

/Text/ Seven years ago Klaus Schuetz, then governing mayor of Berlin, told me that his city had two problems irreducible for any politician, because they defied solution: One problem was the Berlin universities, the other the Turkish ghetto in Kreuzberg.

At the present time Berlin's universities are no longer a topic of conversation--whether in the good or the bad sense. Kreuzberg has become the hottest issue. I can still hear the furious voice of a Social Democrat who, compelled by Hans-Jochen Vogel to serve 4 months in Berlin, could not believe what he saw: "In 10 years the Kreuzberg district will be our San Salvador."

Kreuzberg is not unique. The situation is just as hazardous in other places. Wherever industry is concentrated, foreign workers congregate. In Frankfurt/Main they account for 21.4 percent of residents, in Offenbach for 19.3 percent. Stuttgart counts 17.3 percent, Munich 17 percent, Ruesselsheim 21.2 percent, Bietigheim-Bissingen 20.2 percent. Heinz Kuehn, formerly federal commissioner for alien affairs and certainly no enemy of foreigners, coined the phrase "wherever the quota of aliens exceeds 10 percent, the people turn rebellious." "Kuehn's rebellion quota" (to cite constitutional lawyer Helmut Quaritsch) is thus exceeded in 19 large German cities. The statistical average proportion of aliens in the German population amounts to 6.9 percent. Every 15th FRG resident is a foreigner.

The Turks represent the most numerous group (31 percent, Yugoslavs 15 percent, Italians 14 percent, Greeks 7 percent, Spaniards 4 percent). While immigration from other "sender countries" has stagnated or slightly declined since the end of active recruitment in 1973, that of the Turks has risen from 1974-1981; in 1974 they accounted for 1 million, in 1981 for 1.5 million; 600,000 are working, 300,000 are unemployed, the remainder non-working family members.

Not only are they the most numerous, they are also the most alien. On the social scale of guest workers they rank last. Sociologists say that the Turks are the infrastratum of our society. That is easily verified when we look at their occupations.

-- The German mining industry is entirely dependent on them: Underground hard coal mining employs 100,000 men; 22,800 are aliens, 87 percent of them Turks.

-- The German car industry is entirely dependent on them: Ford Cologne employs 26,399; 9,226 are foreigners, again more than 80 percent of them Turks. In Ruesselsheim also hardly a car would emerge from the assembly line if it were not for them.

-- Restaurants would have to close down.

-- Without them many cities would suffocate in dirt; no public restrooms would ever be cleaned, no graves dug, no roads swept, garbage collection would have to be reduced.

-- The Blohm and Voss Shipyards in Hamburg employ 1,700 foreigners, including 1,000 Turks. Thirteen of them died of cancer in just 1 year. They were welders, galvanizers and cleaners; they worked in dust and grime.

It is generally true to say that the Turks do the work for which no German could be recruited, not even at a time when unemployment amounts to 1.7 million.

The Turks are a subproletariat about which we are largely ignorant. Not only culture and mentality, the language barrier above all dictates alienation. Even those who have lived in the FRG for many years rarely speak correct German. Normally they do not need to; in the factories they work with their hands, not their brains. They do their shopping in a supermarket or in a Turkish grocery store, and they are just about able to say "pants" when they need to buy clothes.

For the past 6-7 years it has been evident that, after initial efforts at integration, the Turks tend to keep apart more and more. They cluster in their ghettos and develop away from their German environment.

It used to be a fairly common occurrence for a Turk arriving in the FRG to shave off his mustache, symbol of masculinity. Nowadays the mustaches tend to grow longer. Another symptom is the women's clothing. More and more they return to wearing the traditional headscarf. That is prescribed by the rules of Islam, and the influence of religion is growing among Turks in the FRG. The first women arriving here--often sent ahead by their husbands in Anatolia to reconnoiter the terrain--shyly endeavored to emancipate themselves and adopt Western clothing. The Turkish pashas have long broken them of that habit. Since they moved into the ghettos, their freedom has been restricted again.

Recruited With Punctiliousness and Ambition

The Germans have long tended to disregard the religious aspect of the Turkish problem. The Turks are Muslims. The numbers of mosques in the FRG are rising steadily. There are usually two in localities with considerable Turkish populations, one for the nationalists, the other for the fundamentalists. The faithful tend to be putty in the hands of Islamic activists. In secularized Turkey these latter work on the margin of the penal code or are banned altogether; they therefore try their luck in the FRG. German ignorance guarantees them full scope.

A particular cause for concern are the Koran schools where little girls squat, wearing the headscarf, and are drilled not only in religious knowledge but also in anti-Germanism. Laicized Turkey allows instruction in the Koran only at the end of the 5 obligatory school years. Here in the FRG nobody officially cares that many Turkish parents send their 4-5 year old children to religious schools and are more punctilious about that than about general school attendance.

Germans react with hostility, ignorance and perplexity to the identity problems of Turkish workers who live in Berlin-Kreuzberg, Cologne-Kalk or Hamburg-Wilhelmsburg, and whose consciousness hovers somewhere between the stone age and the welfare state. Nobody foresaw that things would turn out this way. Initially the Turks were noted only as a factor of labor market policies and commercial balance sheet problems. When we invited them to our country we did not think much more about them as people with specific needs than did Americans 300 years ago when they imported slaves from Africa.

After all, the Turks did not come of their own volition. They were recruited in Anatolia with Prussian "punctiliousness and ambition" (a Bonn ministry official). After the Wall rose up in Berlin and no more refugees arrived from the GDR, after the influx from Italy and other countries slowed down, the Turks were the last resort of the West German economy, panting for manpower in the 1960's. Up to 1973 every entrepreneur, from the craftsman in Hamburg to the Wuerttemberg factory owner, was able to buy a Turk for DM300. That was the administrative fee charged by the Federal Institute for Labor in Nuremberg to finance its recruitment offices in Anatolia.

In 1969/1970 FRG educationalists submitted their master plan and "threatened to further educate another 1.8 million Germans, thus withdrawing them from the labor market." That was one more reason for business to go on a buying spree in Anatolia. A Turk working at the Howald Shipyard in Hamburg and resident in the FRG for 20 years remembers his own recruitment: "Of course only young and healthy work horses were taken. We could not be older than 35. I was examined from toes to teeth several times over, before I was allowed to climb into the train for Germany. One of my friends was rejected only because he had a rotten tooth.

The Turks arrived at their destination in collective transports. Their entry was assured by an identity card issued by the recruiting commission. They did not even need a visa. At the railway station their future employer awaited them. They received a residence permit for the duration of their employment with him. In principle this permit expired when the employer fired "his" Turk. It was believed thereby to guarantee rotation and exclude potential problems. For the planners the import of Turks looked like a simple and cheap solution. But the accounts did not balance.

To begin with the "total calculators" had assumed unduly high rates of output and growth. After the 1973 oil shock their wonderful manpower gap system turned into a frightening surplus system overnight. Recruitment of guest workers was stopped.

Secondly business had never considered the rotation principle to be realistic. It was argued that, once the Turks had been trained in the factory, it made no sense to

send them away after 2 years and begin to train new ones. Ford Cologne never concluded time-limited labor contracts with the Turks.

Thirdly the labor unions objected to the rotation principle. They feared that raw guest workers would offer cheap competition to their members. "All they do is drive up piece rates, then they go home after 2 years and leave our brothers to keep on laboring until retirement." The unions put a stop to this by insisting on treating Turks and all other guest workers so equally that they are by now indistinguishable from German employees in terms of the labor and social codes.

Turkish Instead of Jewish Jokes

Labor unions and guest workers--that is a thorny problem. The unions went along with the recruitment--after all they are members of the decisionmaking bodies in the Nuremberg Federal Institute for Labor. With gentle force they propelled their foreign colleagues into the unions--together with the work permit the Turkish arrival usually also got an application for union membership. The unions charge the government a fee for taking care of their foreign workers, but for a long time they have been rather unhappy about the state of affairs. They find themselves victims of a conflict of interests.

Labor unions are no longer able to afford to indulge in sacred egoism--although that is definitely present as an instinct. The policy they themselves pursued now hinders them from emphasizing the interests of German employees over those of aliens. The unions are keeping a weather eye on employers who are apt to lay off "preferably an idle German rather than a hard working Turk." The consequence are violent altercations in the enterprise council. If, at the end, a Turk is fired, the reaction among the guest workers is "you are a labor union for Germans only. What do you do for us?"

No, nobody had thought of that, let alone planned it. The depth of the emotions aroused, the stinking garbage piled up in German popular consciousness--these are revealed by the Turkish jokes which have replaced Jewish jokes in the schools. One of the more harmless jokes runs like this: "The definition of good fortune is a ship sinking, loaded with Turks. That of bad fortune is that of such Turks being able to swim." A nastier variation: "What is the difference between Jews and Turks? Answer: The Jews have already been through it."

That is dismaying, but let us be honest: Is not a good deal of hypocrisy mingled with our moral indignation?

Those who knew the Turkish problem only in the person of the Turkish alteration tailor in their own suburb have never been confronted with a test of their liberalism. The consequences of an unsuitable alien policy are suffered mainly by the German substratum. Up to now this has been saddled with the social integration of the Turks, something supposed to be the proclaimed goal of said policy toward immigrants. Those in positions of responsibility have up to now avoided asking how that is to be done.

Helmut Quaritsch delivered a much commented lecture on the topic "FRG--country of immigration?" He cited the following figures: In the 18 elementary schools of

Kreuzberg district the average percentage of foreign students amounted to 48.2. Seven schools instructed more than 60 percent of foreign children, 80-93 percent of them held Turkish nationality. The average of foreign children in the elementary schools of Tiergarten and Wedding districts was about 30 percent and 37.7. percent respectively, in Zehlendorf, a more affluent district, only 4.2 percent.

These figures speak for themselves: Those who live in the right areas need not think much about the problem. But those who live in working class districts are likely to ask the same question as the exasperated mother whose child in the Ruhr region was enrolled in a "Turkish" classroom: "Who is supposed to integrate whom? It seems to me that we are being integrated in Turkey."

Turks, especially those who have long lived here, do not live in the ghetto, have German contacts and exercise a skilled profession, are even more scathing about the Turkish problem in Germany. They also feel threatened by the mistakes of German alien policy. They are hardly less afraid than Germans--afraid because the numbers of their compatriots in the FRG are relentlessly climbing, despite the ban on recruitment. That is due to three causes: Firstly the influx of people seeking asylum, secondly that of family members from Turkey, thirdly the high Turkish birth-rate.

People seeking asylum: Turks frankly admit that an application for asylum is now the only way for their compatriots to get around the recruitment ban. Though only one in ten applicants is successful, years pass before the verdict is final. For the Turks living here it is logical that their compatriots must acquire extremist views if they want to get into the FRG via this route--even if they did not have them before. In their opinion the Germans are carrying the right to asylum to absurd length.

The influx of family members: According to the regulations in effect, another 500,000 or so Turkish family members are entitled to enter this country. This estimate is based on the payment of child allowances, currently sent to Turkey for 350,000 children. It is something of a miracle that these Turkish children are not yet here. For their parents this would be much more beneficial from a financial standpoint. Since the new child allowance rule, dating from 1975 and replacing the tax allowance for children, a taxpayer gets far more money for a child resident in the FRG than for one resident abroad. To cite an example: A Turk with five children living in a village near Izmir receives DM225 per month in child allowances. If he has them come to the FRG, he receives DM890 monthly. Family immigration is therefore not just permitted, it is actually rewarded.

The child allowance rule was a major mistake, and so was the cancellation of the tax allowance for divided households. That also meant an incentive for Turkish families to move to Germany for economic reasons.

In 1975 Turkish workers were the first to foresee the mischief and to warn the authorities: "We were perfectly aware that, upon taking effect, this regulation would create problems that society in the FRG could not cope with--school problems, housing problems, labor market problems." Their objections were disregarded.

Population growth: The Turks have a high birthrate and also multiply by marriage immigration. Evidently no Turk who grew up in Kreuzberg takes a Berlin Turk to wife. The bride is brought here from the village back home. The same, only the other way round, happens with the nubile girls residing in Germany. They are married to a Turk from among the kinsmen and friends left back in Anatolia. Mixed German-Turkish marriages are virtually nonexistent in the guest worker environment. Marriage, next to commerce the most certain criterion for integration among peoples since ancient times, occurs at best in middle class circles, among college graduates.

Judged by our criteria it is simply pitiful what happens to the daughters and wives of Turks in the Federal Republic. As soon as a Turkish girl reaches puberty, she is virtually kept a prisoner in the home. Her father's fear that she might lose her virginity is overwhelming. It would greatly reduce the bride price, and possibly such a girl could not be married at all. Thus these children are confined at home--without school, without training, without youth groups or peer companionship--until the marriage arrangement is firm. They themselves have little or no say in that. As marriage with them provides the bridgeroom with access to the German labor market, their bride price is particularly high. Tears of fury glistened in the eyes of a Berlin social worker who told me this. As far as she is concerned these girls are pawns in an evil game.

As married women they are no better off. They sit at home and endure homesickness from morn to night. Their main task is the long-winded preparation of Turkish meals and the bearing of children. While other aliens have gradually adjusted to the German environment, the Turkish birthrate has remained disproportionately high. For a Turk a pregnant wife is proof of masculinity. Birth control is unknown. If a child should be unwanted, it is aborted. At the same time a Turkish woman is exceptional if she knows an abortionist. Most hel themselves with knitting needles and soap. That, at least, is the report of a German woman physician who is trying to organize a Turkish women's group.

The Village Stretches to Kreuzberg

Worlds clash here. It will continue to be no more than a pious wish to talk of reconciliation or mutual integration. Mentality and cultural background militate against that. Turkish people are family oriented. The village environment remains vital for them in Berlin-Kreuzberg, Cologne-Kalk or Hamburg-Wilhelmsburg. In some instance they have even succeeded in reuniting with their former village. St Augustin, a small community near Siegburg, houses 2,000 Turks; 61 percent originate in the Kulu District of Konya Province, 20 percent in the Black Sea rea. Turks of the same origin attract each other like magnets. This way the feudal structures of Anatolia's patriarchal world are maintained in the FRG.

Very few Germans understand the Turks mentality. We may as well forget the comradeship-at-arms of Gallipoli. It is a historical reminiscence of little interest to Turkish immigrants. They are alien to us for religious reasons also.

How little time even Social Democrats have for the Turks was vividly demonstrated when the SPD--having energetically helped Portuguese and Spaniards to achieve a democratic system--left Turkish Social Democrat Bulent Ecevit in the lurch. A few

lukewarm professions of solidarity were all he got. In answer to my question, a thoughtful German Social Democrat said: "The Turks are such awful nationalists." After a brief pause he added: "We simply cannot forget that Bulent Ecevit was the one who occupied Cyprus." And, with genuine horror in his voice, a trad unionist told me: "At the time of his last election campaign Ecevit did not forbid his followers to slaughter rams in the villages, close to his election bus, nor to smear themselves with the blood. I just cannot find any social democratic idealism in such behavior."

There is hardly an indication that our politicians will act otherwise than Klaus Schuetz, 10 years ago, when he declared the alien problem to be insoluble. They only abstain from such frank verbal impudence, because they lack the proper cynicism. Furthermore, they are afraid.

11698

CSO: 3103/267

DISMISSALS, STATUS CHANGE IN RADIO AND TELEVISION NETWORKS

Athens TO VIMA in Greek 7 Feb 82 p 1

/Article by Mikhalis Dimitriou: "Excess ERT Personnel to be Eliminated, YENED Will Remove 'Uniform' in Fall"/

/Excerpt/ The government has decided on the elimination from the ERT /Greek Radio and Television/ of those special employees and assistants who are considered either excess or unsuited for the service needs for which they were originally hired. The government has already transmitted this decision as an order to the organization's administration. At the same time, it was decided that the YENED /Armed Forces Information Service/ administrative problem will be definitely settled in the coming 6 months (this coming fall as the most probable time) at which time, YENED will "remove its uniform" with a "de facto" gradual demilitarization of the station, under the supervision of the ministry to the prime minister.

The dismissals decided upon in the ERT (once the legitimate compensations have been paid to those entitled to them) come within the government's plan for the new organizational structure for television, the improvement of its financial situation and its staffing with fewer but more capable and better paid personnel.

Today, the ERT employs 1,037 permanent employees, 1,059 special employees (about 940 organizational positions) and another 800 associates of all kinds.

The number of these employees ~~and~~ assistants is generally considered as supernumerary, and as ND officials had admitted at the time, the main ERT problem is the "great employee population."

The primary criteria for these dismissals will be the biased manner of appointments, and especially supernumerary --and useless-- hirings, as well as those hirings that took place without any basic procedures for determining capability and without the required specialization and professional experience.

At the same time, the government is planning the overall "demilitarization" of

YENED in 6 months. YENED's conversion to "civilian" status will not take place under Law 230/76 (merger with ERT), but with the establishment of an independent channel, after a decision of the GEETHA /National Defense General Staff/ to the ministry of the prime minister. Up to then (next fall), the government order is to gradually convert to "civilian" status the current military character of YENED, not only in structure and mentality of its programs but in all administrative subjects, in which the so-called "civilian" managers of YENED (Voutsinas, Martzos, Karter, Valetas, Komninos, Korovilas, Kontaxis, etc) will have a constantly increasing influence and role.

The demilitarization process has been made known by the government to Mr Triandafyllou, the director, who has undertaken to inform all the YENED military officials. In the future, any dispute between "civilian" and "military" officials (after a new and clear division of responsibilities) will be settled by the ministry of the prime minister.

5671

CSO: 4621/193

GREEKS IN HUNGARY DEPRIVED OF POLITICAL REFUGEE STATUS

Athens I AVGI in Greek 10 Feb 82 p 3

/Excerpts/ Greek political refugees in Hungary are in an unusually difficult situation. Measures concerning the refugees enacted by Hungarian authorities that provide for the removal of their status as refugees and their obligation to acquire Hungarian nationality, so long as they continue residing in the country with full rights, began to be implemented over the past few days.

They will this have one of three choices: to be repatriated, to become "aliens," or to leave for a third country.

Within the framework of the implementation of the new measures, some political refugees have already had their identity papers taken away from them and they are in danger of being immediately expelled from Hungary.

Others are being called in --in some cases in groups-- to local police stations where they are asked to sign a statement by which they forcibly relinquish their refugee "asylum," which means that they lose their status as refugees, together with all their rights.

Finally, the Hungarian authorities are requesting from those refugees who will be repatriated a "statement" of thanks for the help given them, which in reality means renunciation of their claims for pension, insurance and other rights after so many years of work in Hungary.

Protest Memorandum

These developments have caused general confusion among the political refugees who are literally left "without a place in the sun" since the refugee problem is not being settled either by the Greek or Hungarian side or by other Eastern European countries.

This situation as well as the anti-refugee measures are described in a memorandum submitted by the Greek political refugees to the Presidential Council of the Hungarian People's Republic, the supreme organ of the state.

Contents of Memorandum

The memorandum expresses "great indignation over the special decision abolishing our status as political refugees" and stresses, among other things, the following:

"How could a sick pensioner, disabled and injured, without any means of support, as so many political refugees are, possibly return to Greece?"

The Hungarian authorities must "solve this very serious problem of the complete transfer to Greece of all our pension and insurance rights. These are rights we earned with our labor during our extended stay in the Hungarian People's Republic. During the years of our life here, we participated honorably and with dignity in all fields for the development of the country and most were given awards. The Hungarian authorities must respect our working years and our rights. This is a correct and proper solution to our problem.

"We protest most vigorously the measures being adopted against us and we consider them as unjust measures, contrary not only with the constitutional principles of the Hungarian People's Republic but also with international law."

Expression of Assistance

The "Committee for Assistance to Greek Political Refugees Living in Hungary" has issued a statement of protest on the entire subject in which the following points are stressed:

"The solution of the political refugee problem cannot be found in their forced expulsion from Hungary but to the contrary in the recognition of all their rights. Also, in the granting and transfer to Greece of all their pension and insurance rights by Hungarian authorities, and the fulfillment of their demand for immediate and general repatriation without conditions by the Greek government."

5671

CSO: 4621/193

END

END OF

FICHE

DATE FILMED

MARCH 12, 1982